INFORMATION MEMORANDUM

Asset Management

MAMG INVERSE ETF FUND

(constituted on 2 June 2023 and launched on 6 September 2023)

MANAGER : Maybank Asset Management Sdn Bhd (Registration No.: 199701006283 (421779-M))

Trustee : TMF Trustees Malaysia Berhad (Registration No.: 200301008392 (610812-W))

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS INFORMATION MEMORANDUM AND IF NECESSARY, OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO UNITS OF THE FUND.

UNITS OF THE MAMG INVERSE ETF FUND CAN ONLY BE SOLD TO SOPHISTICATED INVESTORS.

FIRST SUPPLEMENTARY INFORMATION MEMORANDUM

This First Supplementary Information Memorandum dated 8 February 2024 must be read together with the Information Memorandum dated 6 September 2023 for:-

FUND	DATE OF CONSTITUTION
MAMG Inverse ETF Fund	2 June 2023

Manager	:	Maybank Asset Management Sdn Bhd (Registration No.: 199701006283 (421779-M))
Trustee	:	TMF Trustees Malaysia Berhad (Registration No.: 200301008392 (610812-W))

INVESTORS ARE ADVISED TO READ THIS FIRST SUPPLEMENTARY INFORMATION MEMORANDUM DATED 8 FEBRUARY 2024 TOGETHER WITH THE INFORMATION MEMORANDUM DATED 6 SEPTEMBER 2023 AND OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO THE FUND.

UNITS OF THE MAMG INVERSE ETF FUND CAN ONLY BE SOLD TO SOPHISTICATED INVESTORS.

Responsibility Statements

This First Supplementary Information Memorandum has been seen and approved by the directors of Maybank Asset Management Sdn Bhd and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

Statements of Disclaimer

A copy of this First Supplementary Information Memorandum has been lodged with the Securities Commission Malaysia.

The Securities Commission Malaysia has not authorised or recognised the MAMG Inverse ETF Fund and a copy of this First Supplementary Information Memorandum and the Information Memorandum dated 6 September 2023 ("Information Memorandum") have not been registered with the Securities Commission Malaysia.

The lodgement of this First Supplementary Information Memorandum and the Information Memorandum should not be taken to indicate that the Securities Commission Malaysia recommends the MAMG Inverse ETF Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this First Supplementary Information Memorandum and the Information Memorandum.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Maybank Asset Management Sdn Bhd responsible for the MAMG Inverse ETF Fund and takes no responsibility for the contents in this First Supplementary Information Memorandum and the Information Memorandum. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this First Supplementary Information Memorandum and the Information Memorandum, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR PROFESSIONAL ADVISERS IMMEDIATELY.

Additional Statements

Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws including any statement in this First Supplementary Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this First Supplementary Information Memorandum or the conduct of any other person in relation to the Fund.

The Fund will not be offered for sale in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to any U.S. Person(s). Accordingly, investors may be required to certify that they are not U.S. Person(s) before making an investment in the Fund.

Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 6 September 2023.

1. **Amendment to the information of the Trustee in "Chapter 1 – Corporate Directory" on page 1 of the Information Memorandum**

The information of the Trustee is hereby deleted in its entirety and replaced with the following:

TRUSTEE	TMF Trustees Malaysia Berhad (Registration No.: 200301008392 (610812-W))
REGISTERED OFFICE AND BUSINESS OFFICE	Level 13, Menara 1 Sentrum 201, Jalan Tun Sambanthan Brickfields, 50470 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur
WEBSITE	www.tmf-group.com
E-MAIL	malaysia@tmf-group.com

2. **Amendment to Switching Facility in "Chapter 5 – Transaction Details" on pages 18 - 19 of the Information Memorandum**

The information on switching facility is hereby deleted in its entirety and replaced with the following:

Switching Facility	Unit Holders are permitted to switch: (i) from and to other funds managed by us; or (ii) between Classes, provided that both funds or Classes are denominated in the same currency. Switching is treated as a withdrawal from 1 fund or Class and an investment into another fund or Class. Switching will be made at the prevailing NAV per Unit of the Class to be switched from on a Business Day when the switching request is received and accepted by us, subject to the availability and any terms and conditions imposed by the intended fund or Class to be switched to, if any. There is no restriction on the minimum number of Units for a switch or the frequency of switching. However, you must meet the minimum Unit holdings (after the switch) of the Class that you intend to switch from unless you are redeeming all your investments from the Class. Unit Holders who switch from a fund or a Class with a lower sales charge to a fund or a Class with a higher sales charge need to pay the difference in sales charge between the sales charge of these 2 funds or Classes in addition to the switching fee. Unit Holders who switch from a fund or a Class with higher sales charge to a fund or a Class with a lower sales charge do not need to pay the difference in sales charge between these funds or Classes.

Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 6 September 2023.

	We reserve the right to vary the terms and conditions for switching from time to time, which shall be communicated to you in writing. *Note: Our distributors may set an earlier cut-off time for receiving applications in respect of switching of Units. Please check with the respective distributors for their respective cut-off time.*

3. **Amendment to Redemption of Units and Payment of Redemption Proceeds in "Chapter 5 – Transaction Details" on pages 19 – 20 of the Information Memorandum**

The information on redemption of Units and payment of redemption proceeds is hereby deleted in its entirety and replaced with the following:

Redemption of Units and Payment of Redemption Proceeds	Redemption request/application can be made on any Business Day. There is no restriction on the frequency of redemption. For any redemption request/application received or deemed to have been received via e-mail notification (or by fax, if e-mail is down) by us on or before the cut-off time of 4.00 p.m. on any Business Day, the Units will be cancelled based on the NAV per Unit as at the next valuation point after the request for redemption of Units is received by us. Any redemption request/application received or deemed to have been received by us after the cutoff time would be considered as being transacted on the next Business Day. As the Fund is a feeder fund which invests substantially in the Target Fund and offers Classes denominated in currencies that are different from the Base Currency, the Cash Redemption Amount received by the Fund may be subject to currency conversion before the redemption proceed is paid to the Unit Holders. As such, Unit Holders shall be paid within five (5) Business Days from the Fund's receipt of the Cash Redemption Amount from the Target Fund, which would be within nine (9) Business Days from the date the redemption request is received by us. Transaction costs such as charges for electronic payments, if any, will be borne by the Unit Holders and set-off against the redemption proceeds. We shall remit the redemption proceeds to the bank account held in the name of the Unit Holder(s). Note: Our distributors may set an earlier cut-off time for

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	receiving requests/applications in respect of redemption of Units. Please check with the respective distributors for their respective cut-off time.

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4. Amendment to "Chapter 8 - Valuation Policy and Valuation Basis" on page 26 of the Information Memorandum

The information on Computation of NAV and NAV per Unit is hereby inserted immediately after Valuation Point as follows:

Computation of NAV and NAV per Unit

The NAV of the Fund is determined by deducting the value of the Fund's liabilities from the value of the Fund's assets at a valuation point.

Please note that the example below is for illustration only:

		Fund (USD)	MYR Class (USD)	MYR (Hedged) Class (USD)	USD Class (USD)
	Value of the Fund	101,500,000.00			
Add:	Other assets (including cash) & income	200,000.00			
Less:	Liabilities	100,000.00			
	NAV of the Fund before deducting management fee and trustee fee for the day	101,600,000.00			
	Multi class ratio^	**100%**	**60%**	**20%**	**20%**
	NAV of the Class before deducting management fee and trustee fee for the day		60,960,000.00	20,320,000.00	20,320,000.00
Less:	Management fee for the day		(60,960,000 x 0.50% / 365 days)	(20,320,000 x 0.50% / 365 days)	(20,320,000 x 0.50% / 365 days)
			835.07	278.36	278.36
		1,391.79			
Less	Trustee fee for the day		(60,960,000 x 0.03% / 365 days)	(20,320,000 x 0.03% / 365 days)	(20,320,000 x 0.03% / 365 days)
			50.10	16.70	16.70
		83.50			
	Total NAV (USD)	101,598,524.71	60,959,114.83	20,319,704.94	20,319,704.94

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^Multi class ratio is apportioned based on the size of the Class relative to the whole Fund. This means the multi class ratio is calculated by taking the value of a Class for a particular day and dividing it with the value of the Fund for that same day. This apportionment is expressed as a ratio and calculated as a percentage.

The NAV per Unit of a Class is calculated by dividing the NAV of the Fund attributable to the Class by the number of Units in circulation of that Class at the end of each Business Day.

Assuming there are 200,000,000 Units of the Fund in circulation at the point of valuation, the NAV per Unit of a Class shall therefore be calculated as follows:

		Fund (USD)	**MYR Class (USD)**	**MYR (Hedged) Class (USD)**	**USD Class (USD)**
	NAV	101,598,524.71	60,959,114.83	20,319,704.94	20,319,704.94
Divide:	Units in circulation	200,000,000	120,000,000	40,000,000	40,000,000
	NAV per Unit of the Class (USD)		0.5080*	0.5080*	0.5080*
	Conversion to MYR (at USD 1.00 : RM 4.50 exchange rate)		RM2.2860*	RM2.2860*	

**The NAV per Unit of each Class will be rounded up to 4 decimal places for the purposes of publication of the NAV per Unit.*

[The remainder of this page is intentionally left blank]

5. **Amendment to "Chapter 9 – Parties to the Fund" on page 27 of the Information Memorandum**

The information on the Manager is hereby deleted in its entirety and replaced with the following:

The Manager	Our corporate information, including our experience in operating unit trust funds is available on our website at https://www.maybank-am.com.my/corporate-profile.

6. **Amendment to "Chapter 9 – Parties to the Fund" on page 28 of the Information Memorandum**

The information on the designated fund manager is hereby deleted in its entirety and replaced with the following:

Designated Fund Manager	Syhiful Zamri bin Abdul Azid Syhiful is the Chief Investment Officer of the Manager and his profile is available on our website at https://maybank-am.com.my/key-people.

7. **Amendment to "Chapter 9 - Parties to the Fund" on page 28 of the Information Memorandum**

The information on Trustee's Delegate is hereby inserted immediately after Duties and Responsibilities of the Trustee as follows:

Trustee's Delegate	The Trustee has appointed Standard Chartered Bank Malaysia Berhad ("SCBMB") as the custodian of the quoted and unquoted investments of the Fund. SCBMB was incorporated in Malaysia under the same name on 29 February 1984 under the Companies Act 1965 (now known as Companies Act 2016) as a public limited company and is a direct subsidiary of Standard Chartered Bank (Singapore) Limited and an indirect subsidiary of Standard Chartered PLC (the holding company of a global banking group). SCBMB was granted a license on 1 July 1994 under the Banking and Financial Institutions Act 1989 (now known as Financial Services Act 2013). SCBMB is responsible for the Fund's assets settlement and custodising the Fund's asset. The assets are held in the name of the Fund through the custodian's wholly owned subsidiary and nominee company, Cartaban Nominees (Tempatan) Sdn Bhd. All investments are automatically registered into the name of the Fund. The custodian acts only in accordance with the instructions from the Trustee.

Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 6 September 2023.

8. <u>Amendment to "Chapter 13 – Customer Information Service" on page 32 of the Information Memorandum</u>

The details of the Complaints Bureau, FIMM under sub-paragraph (i) is hereby deleted in its entirety and replaced with the following:

(i) Complaints Bureau, FIMM via:

- Tel No: 03 – 7890 4242
- email: complaints@fimm.com.my
- Online complaint form: www.fimm.com.my
- Letter: Complaints Bureau
  Legal & Regulatory Affairs
  Federation of Investment Managers Malaysia
  19-06-1, 6th Floor Wisma Tune
  No. 19, Lorong Dungun
  Damansara Heights
  50490 Kuala Lumpur.

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9. Amendment to "Chapter 15 - Tax Adviser's Letter" on pages 40 - 48 of the Information Memorandum

The tax adviser's letter is hereby deleted in its entirety and replaced with the following:

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Ernst & Young Tax Consultants Sdn. Bhd.
[illegible]
SST ID: W10-1808-31044478
Level 23A Menara Milenium
Jalan Damaniela, Pusat Bandar Damansara
50490 Kuala Lumpur Malaysia

Tel. +603 7495 8000
Fax: +603 2095 5332 (General line)
+603 2095 7043
ey.com

Taxation adviser's letter in respect of the taxation
of the unit trust fund and the unit holders
(prepared for inclusion in this First Supplementary Information Memorandum)

Ernst & Young Tax Consultants Sdn Bhd
Level 23A Menara Milenium
Jalan Damaniela
Pusat Bandar Damansara
50490 Kuala Lumpur

5 January 2024

The Board of Directors
Maybank Asset Management Sdn Bhd
Level 12, Tower C
Dataran Maybank
No. 1, Jalan Maarof
59000 Kuala Lumpur

Dear Sirs

Taxation of the unit trust fund and unit holders

This letter has been prepared for inclusion in this First Supplementary Information Memorandum in connection with the offer of units in the unit trust known as MAMG Inverse ETF Fund (hereinafter referred to as "the Fund").

The purpose of this letter is to provide prospective unit holders with an overview of the impact of taxation on the Fund and the unit holders.

Taxation of the Fund

The taxation of the Fund is subject to the provisions of the Malaysian Income Tax Act 1967 (MITA), particularly Sections 61 and 63B.

Subject to certain exemptions, the income of the Fund comprising profits and other investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is subject to Malaysian income tax at the rate of 24% with effect from the year of assessment 2016.

Tax allowable expenses would comprise expenses falling under Section 33(1) and Section 63B of the MITA. Section 33(1) permits a deduction for expenses that are wholly and exclusively incurred in the production of gross income. In addition, Section 63B allows unit trusts a deduction for a portion of other expenses (referred to as 'permitted expenses') not directly related to the production of income, as explained below.

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The Board of Directors
Maybank Asset Management Sdn Bhd
5 January 2024

"Permitted expenses" refer to the following expenses incurred by the Fund which are not deductible under Section 33(1) of the MITA:

- the manager's remuneration,
- maintenance of the register of unit holders,
- share registration expenses,
- secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage.

These expenses are given a partial deduction under Section 63B of the MITA, based on the following formula:

$$A \times \frac{B}{4C}$$

where A is the total of the permitted expenses incurred for that basis period;

B is gross income consisting of dividend[1], interest and rent chargeable to tax for that basis period; and

C is the aggregate of the gross income consisting of dividend[1] and interest (whether such dividend or interest is exempt or not) and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period,

provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period.

[1] Pursuant to Section 15 of the Finance Act 2011, with effect from the year of assessment 2011, dividend income is deemed to include income distributed by a unit trust which includes distributions from Real Estate Investment Trusts.

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Maybank Asset Management Sdn Bhd
5 January 2024

Exempt income

The following income of the Fund is exempt from income tax:

- **Malaysian sourced dividends**

  All Malaysian-sourced dividends should be exempt from income tax.

- **Malaysian sourced interest**

  a) interest from securities or bonds issued or guaranteed by the Government of Malaysia;

  b) interest from debentures or *sukuk*, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission;

  c) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;

  d) interest derived from Malaysia and paid or credited by banks licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013[2];

  e) interest derived from Malaysia and paid or credited by any development financial institution prescribed under the Development Financial Institutions Act 2002[2];

  f) interest from *sukuk* originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved or authorized by, or lodged with, the Securities Commission or approved by the Labuan Financial Services Authority (LFSA)[3]; and

  g) interest which is specifically exempted by way of statutory orders or any other specific exemption provided by the Minister.

- **Discount**

  Tax exemption is given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.

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[2] Effective from 1 January 2019, the income tax exemption for a unit trust fund, pursuant to Paragraph 35A, Schedule 6 of the MITA shall not apply to a wholesale fund which is a money market fund.

[3] Effective from the year of assessment 2017, the exemption shall not apply to interest paid or credited to a company in the same group or interest paid or credited to a bank licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013; or a development financial institution prescribed under the Development Financial Institutions Act 2002.

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Maybank Asset Management Sdn Bhd
5 January 2024

Foreign-sourced income

Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempt from tax.

The Guidelines issued by the Malaysian Inland Revenue Board on 29 September 2022 (amended on 29 December 2022) define the term "received in Malaysia" to mean transferred or brought into Malaysia, either by way of cash[4] or electronic funds transfer[5].

Foreign-sourced income (FSI) received in Malaysia during the transitional period from 1 January 2022 to 30 June 2022 will be taxed at 3% of gross. From 1 July 2022 onwards, FSI received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

Income Tax (Exemption) (No. 6) Order 2022 has been issued to exempt a "qualifying person"[6] from the payment of income tax in respect of dividend income which is received in Malaysia from outside Malaysia, effective from 1 January 2022 to 31 December 2026. The exemption will however not apply to a person carrying on the business of banking, insurance or sea or air transport. As the definition of "qualifying person" does not include unit trust funds, it would mean that resident unit trust funds would technically not qualify for the exemption, unless there are further updates thereto.

Gains from the realisation of investments

Pursuant to the Finance (No. 2) Act 2023 ("Finance Act"), gains from the realisation of investments by a unit trust would no longer be exempt from tax. Pursuant to Section 61(1)(b) of the MITA, gains arising from the realisation of investments shall be treated as income of a unit trust under Section 4(aa) of MITA, provided that such gains are not related to real property as defined in the Real Property Gains Tax Act 1976. Section 4(aa) provides that gains or profits from the disposal of a capital asset[7] are to be treated as a class of income. Paragraph 38 of Schedule 6 of the MITA, introduced via the Finance Act, then provides an income tax exemption on gains or profits from the disposal of a capital asset situated in Malaysia, other than:

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[4] "Cash" in this context is defined as banknotes, coins and cheques.

[5] "Electronic funds transfer" means bank transfers (e.g., credit or debit transfers), payment cards (debit card, credit card and charge card), electronic money, privately-issued digital assets (e.g., crypto-assets, stablecoins) and central bank digital currency.

[6] "Qualifying person" in this context means a person resident in Malaysia who is:
(a) An individual who has dividend income received in Malaysia from outside Malaysia in relation to a partnership business in Malaysia;
(b) A limited liability partnership which is registered under the Limited Liability Partnerships Act 2012; or
(c) A company which is incorporated or registered under the Companies Act 2016.

[7] "Capital asset" means movable or immovable property including any rights or interest thereof.

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(i) Disposal of shares of a company incorporated in Malaysia not listed on the stock exchange[8]; and
(ii) Disposal of shares under Section 15C of the MITA, which was introduced via the Finance Act, Section 15C deems gains or profits from the disposal of shares in a company incorporated outside Malaysia ("foreign company") to be derived from Malaysia and hence subject to Malaysian income tax, where the foreign company directly or indirectly owns real property in Malaysia exceeding certain thresholds, as determined based on the parameters of Section 15C

As such, capital assets that fall within the scope of charge of the MITA are as follows:

a) Capital assets situated in Malaysia - Shares of a company incorporated in Malaysia not listed on the stock exchange and shares in foreign incorporated companies deriving value from real property in Malaysia.
b) Capital assets situated outside Malaysia – All capital assets, not limited to shares.

Gains from disposal of capital assets situated outside Malaysia will only be subject to tax when the gains are received in Malaysia.

The Finance Act provides an effective date of 1 January 2024 for the above changes to the MITA. However, pursuant to the Income Tax (Exemption) (No. 7) Order 2023 [P.U.(A) 410], a trust body is exempted from the payment of income tax in respect of any gains or profits received from the disposal of shares of a company incorporated in Malaysia not listed on the stock exchange. This exemption applies for such disposals from 1 January to 29 February 2024.

The relevant tax rates of the gains of the disposal of capital assets are as below:

	Tax rates
A. Disposal of capital assets situated in Malaysia which was acquired before 1 January 2024	
▸ On chargeable income of the disposal	10%
▸ On gross disposal price	2%
B. Disposal of capital assets situated in Malaysia which was acquired after 1 January 2024	
▸ On chargeable income of the disposal	10%
C. Disposal of capital assets situated outside Malaysia	
▸ On chargeable income of the disposal	24% (prevailing tax rate of a unit trust)

[8] "stock exchange" has the meaning assigned to it in the Capital Markets and Services Act 2007

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5 January 2024

Implementation of Sales and Service Tax ("SST")

Sales and Service Tax ("SST") was re-introduced effective 1 September 2018. Sales Tax of 10% (most common rate) or 5% is charged by Malaysian manufacturers of taxable goods or upon importation into Malaysia of such taxable goods, unless specifically exempted under the Sales Tax (Goods Exempted From Tax) Order 2018. Service Tax is charged on certain prescribed taxable services performed by taxable persons as stipulated under Service Tax Regulations 2018. The input tax recovery mechanism under the previous GST regime does not apply to SST. Therefore, any SST incurred is not recoverable and will form a cost element for businesses.

Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration. Where the Fund incurs expenses such as management fees, the management services provided by asset and fund managers who are licensed or registered with Securities Commission Malaysia for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007, are specifically excluded from the scope of Service Tax. As for other fees, such as trustee fees and other administrative charges, these may be subject to service tax[9] provided they fall within the scope of service tax (i.e. are provided by a "taxable person", who exceeds the required annual threshold (in most cases RM 500,000 per annum) and the services qualify as "taxable services").

Taxation of unit holders

For Malaysian income tax purposes, unit holders will be taxed on their share of the distributions received from the Fund.

The income of unit holders from their investment in the Fund broadly falls under the following categories:

1. taxable distributions; and

2. non-taxable and exempt distributions.

In addition, unit holders may also realise a gain from the sale of units.

[9] Pursuant to Service Tax Regulations 2018, the service tax rate is at 6%. It was proposed in Budget 2024 that the service tax rate be increased from 6% to 8% effective from 1 March 2024.

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5 January 2024

The tax implications of each of the above categories are explained below:

1. Taxable distributions

   Distributions received from the Fund will have to be grossed up to take into account the underlying tax paid by the Fund and the unit holder will be taxed on the grossed up amount. See however item 2 below on certain distributions which are not taxable to unit holders.

   Such taxable distributions carry a tax credit, which will be available for set-off against any Malaysian income tax payable by the unit holder. Should the tax deducted at source exceed the tax liability of the unit holder, the excess is refundable to the unit holders.

   Please refer to the paragraph below for the income tax rates applicable to the grossed up distributions.

2. Non-taxable and exempt distributions

   Tax exempt distributions made out of gains from the realisation of investments and exempt income earned by the Fund will not be subject to Malaysian income tax in the hands of the unit holders.

   A retail money market fund is exempted from tax on its interest income derived from Malaysia, pursuant to Paragraph 35A of Schedule 6 of the MITA. Pursuant to the Finance Act 2021, with effect from 1 January 2022, distributions by a retail money market fund from such tax exempt interest income, to a unit holder other than an individual, will no longer be exempt from tax. The distribution to unit holders other than individuals will be subject to withholding tax at 24%. This would be a final tax for non-residents. Malaysian residents are required to include the distributions in their tax returns and claim a credit in respect of the withholding tax suffered. Individuals will continue to be exempt from tax on such distributions.

   As stated above, with effect from 1 January 2024 (1 March 2024 for disposals of shares of a company incorporated in Malaysia not listed on the stock exchange), gains arising from the realisation of investments shall be treated as income of the Fund under Section 4(aa), pursuant to the proviso of Section 61(1)(b) of MITA. However, pursuant to Section 61(1A) of MITA, unit holders will still not be charged to tax on the gains referred to in the proviso to Section 61(1)(b).

Rates of tax

The Malaysian income tax chargeable on the unit holders would depend on their tax residence status and whether they are individuals, corporations or trust bodies. The relevant income tax rates are as follows:

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5 January 2024

Unit holders	Malaysian income tax rates
Malaysian tax resident:	
• Individual and non-corporate unit holders (such as associations and societies)	• Progressive tax rates ranging from 0% to 30%
• Co-operatives[10]	• Progressive tax rates ranging from 0% to 24%
• Trust bodies	• 24%
• Corporate unit holders	
(i) A company with paid-up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment) and gross income from a source or sources consisting of a business not exceeding RM50 million for the basis period for the year of assessment[11] [12]	• First RM150,000 of chargeable income @ 15%[13] • Next RM450,000 of chargeable income @ 17% • Chargeable income in excess of RM600,000 @ 24%

[10] Pursuant to Paragraph 12(1), Schedule 6 of the MITA, the income of any co-operative society–
(a) in respect of a period of five years commencing from the date of registration of such co-operative society; and
(b) thereafter where the members' funds [as defined in Paragraph 12(2)] of such co-operative society as at the first day of the basis period for the year of assessment is less than seven hundred and fifty thousand ringgit,
is exempt from tax.

[11] A company would not be eligible for the concessionary tax rate on the first RM600,000 of chargeable income if:-
(a) more than 50% of the paid-up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
(b) the company owns directly or indirectly more than 50% of the paid-up capital in respect of the ordinary shares of a related company which has paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
(c) more than 50% of the paid-up capital in respect of the ordinary shares of the company and a related company which has a paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.
(d) Pursuant to the Finance Act 2023, effective from the year of assessment 2024, in order for a company to qualify for the concessionary tax rates not more than 20% of the paid-up capital in respect of the ordinary shares of the company at the beginning of a basis period for a year of assessment can be directly or indirectly owned by one or more companies incorporated outside Malaysia or by individuals who are not citizens of Malaysia.

[12] The above excludes a business trust and a company which is established for the issuance of asset-backed securities in a securitization transaction approved by the Securities Commission.

[13] Pursuant to the Finance Act 2023, effective from the year of assessment 2023, the concessionary tax rate is reduced from 17% to 15% for the first RM150,000 of chargeable income.

Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 6 September 2023.

Unit holders	Malaysian income tax rates
(ii) Companies other than (i) above	• 24%
Non-Malaysian tax resident (Note 1):	
• Individual and non-corporate unit holders	• 30%
• Corporate unit holders and trust bodies	• 24%

Note 1:
Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation arrangements with Malaysia.

Gains from sale of units

Gains arising from the sale of units will generally not be subject to income tax in the hands of unit holders unless they are insurance companies, financial institutions or traders / dealers in securities.

Unit splits and reinvestment of distributions

Unit holders may also receive new units as a result of unit splits or may choose to reinvest their distributions. The income tax implications of these are as follows:

- Unit splits - new units issued by the Fund pursuant to a unit split will not be subject to income tax in the hands of the unit holders.
- Reinvestment of distributions - unit holders may choose to reinvest their income distribution in new units by informing the Manager. In this event, the unit holder will be deemed to have received the distribution and reinvested it with the Fund.

****

EY
Building a better working world

The Board of Directors
Maybank Asset Management Sdn Bhd
5 January 2024

We hereby confirm that, as at the date of this letter, the statements made in this letter correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in the Fund. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in the Fund.

Yours faithfully
Ernst & Young Tax Consultants Sdn Bhd

Bernard Yap
Partner

Ernst & Young Tax Consultants Sdn Bhd has given its consent to the inclusion of the Taxation Adviser's Letter in the form and context in which it appears in this First Supplementary Information Memorandum and has not withdrawn such consent before the date of issue of this First Supplementary Information Memorandum.

A member firm of Ernst & Young Global Limited

Investors are advised to read this First Supplementary Information Memorandum dated 8 February 2024 together with the Information Memorandum dated 6 September 2023.

Responsibility Statement

This Information Memorandum has been seen and approved by the directors of Maybank Asset Management Sdn Bhd and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

Statements of Disclaimer

A copy of this Information Memorandum has been lodged with the Securities Commission Malaysia. The Securities Commission Malaysia will not be liable for any non-disclosure on the part of the Manager and takes no responsibility for the contents of this Information Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the contents of this Information Memorandum.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR PROFESSIONAL ADVISERS IMMEDIATELY.

Additional Statements

Investors should note that they may seek recourse under the Capital Markets and Services Act 2007 for breaches of securities laws including any statement in this Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Information Memorandum or the conduct of any other person in relation to the Fund.

The Fund will not be offered for sale in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to any U.S. Person(s). Accordingly, investors may be required to certify that they are not U.S. Person(s) before making an investment in the Fund.

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1. CORPORATE DIRECTORY

MANAGER	Maybank Asset Management Sdn Bhd (Registration No.: 199701006283 (421779-M))
REGISTERED OFFICE	5th Floor, Tower A Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel. No.: 03 - 2297 7870
BUSINESS OFFICE	Level 12, Tower C Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel. No.: 03 - 2297 7888 Fax No.: 03 – 2715 0071
WEBSITE	http://www.maybank-am.com
E-MAIL	mamcs@maybank.com.my
TRUSTEE	TMF Trustees Malaysia Berhad (Registration No.: 200301008392 (610812-W))
REGISTERED OFFICE AND BUSINESS OFFICE	10th Floor, Menara Hap Seng No. 1 & 3, Jalan P. Ramlee 50250 Kuala Lumpur Tel. No.: 03 – 2382 4288 Fax No.: 03 – 2026 1451
WEBSITE	www.tmf-group.com
E-MAIL	malaysia@tmf-group.com

2. DEFINITIONS

In this Information Memorandum, the following abbreviations or words shall have the following meanings unless otherwise stated:

Base Currency	means USD, the currency in which the Fund is denominated.
Board of Trustees of the Target Fund	means the Board of Trustees of ProShares Trust.
Bursa Malaysia	means the stock exchange managed and operated by Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W)).
Business Day	means a day on which Bursa Malaysia is open for trading. We may declare a certain Business Day as a non-Business Day if (i) that day is not a business day of the Target Fund, (ii) that day is a holiday in any of the foreign markets which the Fund invests in or (iii) that day is not a business day in the country of the currency of the Class.
CIS	means collective investment schemes.
Class(es)	means any class of Units in the Fund representing similar interest in the assets of the Fund and a "Class" means any one class of Units.
CMSA	means the Capital Markets and Services Act 2007, including all amendments thereto and all regulations, rules and guidelines issued in connection therewith.
Commencement Date	means the date the Fund commences its first investments.
Creation Unit(s)	in respect of the Target Fund, means issuance and redemption of shares of the Target Fund on a continuous basis at net asset value in large, specified number of shares.
Deed	means the deed in respect of the Fund and any other supplemental deed that may be entered into between the Manager and the Trustee.
ETF	means exchange traded funds.
Ex-distribution Date	means the next Business Day after the date on which income distribution of the Fund is declared.
FDI	means financial derivative instrument.
FIMM	means the Federation of Investment Managers Malaysia.
Forward Pricing	means the NAV per Unit for the Fund calculated at the next valuation point after a purchase request or a

	redemption request, as the case may be, is received by us.
Fund	means the MAMG Inverse ETF Fund.
Information Memorandum	means this information memorandum of the Fund.
Index	means S&P 500® Index.
long term	means a period of more than five (5) years.
LPD	means latest practicable date as at 30 April 2023.
Manager / we / us / our	means Maybank Asset Management Sdn Bhd (Registration No.: 199701006283 (421779-M)).
Maybank	means Malayan Banking Berhad (Registration No.: 196001000142 (3813-K)).
medium term	means a period of three (3) years to five (5) years.
MYR/RM	means Ringgit Malaysia.
MYR Class	represents a Class denominated in MYR.
MYR (Hedged) Class	represents a Class denominated in MYR which seeks to reduce the effect of currency fluctuations between the currency of the Class and the Base Currency.
Net Asset Value or NAV	means the total value of the Fund's assets minus its liabilities at the valuation point; where the Fund has more than one Class, there shall be a NAV of the Fund attributable to each Class.
NAV per Unit	means the NAV of a Class at the valuation point divided by the total number of Units in circulation of that Class at the same valuation point.
OTC	means over-the-counter.
ProShare Advisors	means ProShare Advisors LLC, the advisor of the Target Fund.
Redemption Price	means the price payable by the Manager to a Unit Holder pursuant to a redemption request by the Unit Holder and will be the NAV per Unit. The Redemption Price shall be exclusive of the redemption charge (if any).
SEC	means the US Securities and Exchange Commission.
SC	means the Securities Commission Malaysia.
Selling Price	means the price payable by an investor or a Unit Holder for the purchase of a Unit of the Fund and will be the NAV per Unit. The Selling Price shall be exclusive of the sales charge.

Sophisticated Investor	means:

(a) a unit trust scheme, private retirement scheme or prescribed investment scheme;

(b) Bank Negara Malaysia;

(c) a licensed person or a registered person;

(d) an exchange holding company, a stock exchange, a derivatives exchange, an approved clearing house, a central depository or a recognized market operator;

(e) a corporation that is licensed, registered or approved to carry on any regulated activity or capital market services by an authority in Labuan or outside Malaysia which exercises functions corresponding to the functions of the SC;

(f) a bank licensee or an insurance licensee as defined under the Labuan Financial Services and Securities Act 2010;

(g) an Islamic bank licensee or a takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010;

(h) a chief executive officer or a director of any person referred to in paragraphs (c) to (g);

(i) a closed-ended fund approved by the SC;

(j) a company that is registered as a trust company under the Trust Companies Act 1949 and has assets under its management exceeding RM10 million or its equivalent in foreign currencies;

(k) a corporation that –

  (i) is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under the CMSA and has assets under its management, exceeding RM10 million or its equivalent in foreign currencies; or

  (ii) is carrying on the regulated activity of fund management solely for the benefit of its related corporations and has assets under its management exceeding RM10 million or its equivalent in foreign currencies;

(l) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts;

(m) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies;

(n) a statutory body established under any laws unless otherwise determined by the SC;

(o) a pension fund approved by the Director General of Inland Revenue under the Income Tax Act 1967;

(p) an individual –

(i) whose total net personal assets, or total net joint assets with his or her spouse, exceeding RM3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence;

(ii) who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies in the preceding twelve months;

(iii) who jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies in the preceding twelve months; or

(iv) whose total net personal investment portfolio or total net joint investment portfolio with his or her spouse, in any capital market products exceeding RM1 million or its equivalent in foreign currencies;

(q) any person who acquires the unlisted capital market products where the consideration is not less than two hundred and fifty thousand ringgit or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise; or

(r) any other category of investor(s) as may be permitted by the SC from time to time and/or under the relevant guidelines for wholesale funds.

Target Fund	means ProShares Short S&P500®.
Trustee	means TMF Trustees Malaysia Berhad (Registration No.: 200301008392 (610812-W)).
Unit(s)	means a measurement of the right or interest of a Unit Holder in the Fund and means a unit of the Fund or a Class, as the case may be.
Unit Holder(s) / you	means the person registered as the holder of a Unit or Units including persons jointly registered for a Class. In respect of the Fund, means all the unit holders of every Class in the Fund.
US	means the United States of America.
USD	means United States Dollar.
USD Class	represents a Class denominated in USD.
US Person(s)	means: a) a U.S. citizen (including those who hold dual citizenship or a greencard holder); b) a U.S. resident alien for tax purposes;

c) a U.S. partnership;
d) a U.S. corporation;
e) any estate other than a non-U.S. estate;
f) any trust if:
   (i) a court within the U.S. is able to exercise primary supervision over the administration of the trust; and
   (ii) one or more U.S. Persons have the authority to control all substantial decisions of the trust;
g) any other person that is not a non-U.S. Person; or
h) any definition as may be prescribed under the Foreign Account Tax Compliance Act 2010, as may be amended from time to time.

3. FUND'S DETAILS

3.1 Information of the Fund

FUND'S DETAILS			
Fund Name	MAMG Inverse ETF Fund		
Fund Category	Feeder Fund (wholesale)		
Fund Type	Inverse ETF		
Base Currency	USD		
Financial Year End	31 January		
Initial Offer Period	21 days from the launch date of the Fund. *Note: The initial offer period may be shortened at the discretion of the Manager.*		
Class	MYR Class	MYR (Hedged) Class	USD Class
Initial Offer Price	RM 0.50	RM 0.50	USD 0.50
Commencement Date	The next Business Day after the end of the Initial Offer Period.		
Deed	The deed dated 2 June 2023.		
Investment Objective	The Fund seeks daily investment results, before fees and expenses, that correspond to the daily performance of the Target Fund.		
Investor Profile	The Fund is suitable for Sophisticated Investors who: • wish to hedge against market declines; • seek to profit from a market decline; • wish to underweight exposure to a market segment; and • are willing to tolerate the risks associated with investing in the Target Fund.		
Performance Benchmark	The Fund does not have a performance benchmark. The Fund will refer to the performance of the Target Fund to assess the performance of the Fund.		
Asset Allocation	➢ A minimum of 90% of the Fund's NAV will be invested in the Target Fund. ➢ A maximum of 10% of the Fund's NAV will be invested in liquid assets*. **Liquid assets comprise of deposits and money market instruments.*		
Investment Strategy	The Fund seeks to achieve its investment objective by investing a minimum of 90% of its NAV in the Target Fund.		

FUND'S DETAILS	
	The Target Fund is an ETF and its shares are listed on the NYSE Arca. The Target Fund is established and domiciled in the US and was launched on 19 June 2006. The Fund may employ currency hedging strategies to fully or partially hedge the foreign currency exposure to manage the currency risk. Although the Fund is passively managed, we will ensure proper and efficient management of the Fund so that the Fund is able to meet redemption requests by Unit Holders. In addition, we may, in consultation with the Trustee and subject to Unit Holders' approval, replace the Target Fund with another fund of a similar objective if, in our opinion, the Target Fund no longer meets the Fund's investment objective.
Temporary Defensive Position	Even though the Fund is passively managed, the Fund's investments will be actively rebalanced from time to time to accommodate for subscription and redemption requests, price movements or due to reasons beyond the Manager's control. During this period, the Fund's investment may differ from the stipulated asset allocation. Additionally, the Manager does not intend to take temporary defensive measure for the Fund during adverse market, economic, political or any other conditions to allow the Fund to mirror the performance of the Target Fund.
Permitted Investments	The Fund is permitted to invest in the following: • one collective investment scheme, which is the Target Fund; • liquid assets which comprise of deposits and money market instruments; • derivatives (for hedging purposes); and • any other investment as permitted by the SC which is in line with the objective and asset allocation of the Fund.
Investment Restrictions and Limits	• The Fund shall not invest in the following: (a) a fund-of-funds; (b) a feeder fund; and (c) any sub-fund of an umbrella scheme which is a fund-of-funds or a feeder fund.
Distribution Policy	Distribution, if any, shall be incidental and at the discretion of the Manager.
Mode of Distribution	All income distribution will be reinvested into additional Units in the Fund. Additional Units will be created based on the NAV per Unit* at the income reinvestment date (which is within 10 days from the Ex-distribution Date). **There will not be any cost to Unit Holders for reinvestments in new additional Units.*
Communication with Unit Holders	**Official Receipt and Statement of Investment** Each time a Unit Holder purchases Units or conducts any other transaction for the Fund, a confirmation advice is sent out to

FUND'S DETAILS	
	the Unit Holder. A computer generated statement will also be issued on a monthly basis to provide the Unit Holder with a record of each and every transaction made in the account so that the Unit Holder may confirm the status and accuracy of his or her transactions, as well as to provide the Unit Holder with an updated record of his or her investment account(s) with us. **Unit Price** As the Fund has exposure to investments in foreign markets, we will publish the Fund's NAV per Unit on our website, www.maybank-am.com.my two (2) Business Day later. **Financial Reports** We will provide Unit Holders with a quarterly report and an audited annual report within two (2) months after the close of the quarterly period or financial year end.

3.2. Information of the Target Fund

INFORMATION OF THE TARGET FUND	
Name of the Target Fund	ProShares Short S&P500®
Investment Advisors of the Target Fund	ProShare Advisors LLC
Domicile	US
Regulatory Authority	SEC
Date of Establishment of the Target Fund	19 June 2006
Base Currency of the Target Fund	USD
About the ProShares Trust	ProShares Trust is a Delaware statutory trust and is registered with the SEC as an open-end management investment company under the Investment Company Act of 1940, as amended. The Trust was organized on 29 May 2002 and consists of multiple series of ETFs which shares are listed on an exchange.
Information of the Investment Advisors	ProShare Advisors LLC, a Maryland limited liability company with offices at 7272 Wisconsin Avenue, 21st Floor, Bethesda, MD 20814, serves as the investment adviser to the Target Fund. ProShare Advisors LLC is owned by Michael L. Sapir, Louis M. Mayberg and William E. Seale. ProShare Advisors LLC manages the investment and the reinvestment of the Target Fund's assets in accordance with its investment objective(s), policies, and limitations, subject

INFORMATION OF THE TARGET FUND	
	to the general supervision and control of the Board of Trustees and the ProShares Trust's officers. Michael Neches, Senior Portfolio Manager, and Devin Sullivan, Portfolio Manager, have jointly and primarily managed the Target Fund since October 2013 and April 2018, respectively.
Investment Objective of the Target Fund	The Target Fund seeks daily investment results, before fees and expenses, that correspond to the inverse (-1x) of the daily performance of the S&P 500® Index ("Index"). **The Target Fund does not seek to achieve its stated investment objective over a period of time greater than a single day.**

Investment Policy and Strategy of the Target Fund	The Target Fund invests in financial instruments that ProShare Advisors believes, in combination, should produce daily returns consistent with the Target Fund's investment objective.
	
	The Index is constructed and maintained by S&P Dow Jones Indices LLC. The Index is a measure of large-cap US stock market performance. It is a float-adjusted, market capitalization-weighted index of 500 US operating companies and real estate investment trusts selected through a process that factors in criteria such as liquidity, price, market capitalization, financial viability and public float. The Index is published under the Bloomberg ticker symbol "SPX."
	
	The Target Fund will invest principally in the financial instruments set forth below. The Target Fund expects that its cash balances maintained in connection with the use of financial instruments will typically be held in money market instruments.
	
	• Derivatives — The Target Fund invests in derivatives, which are financial instruments whose value is derived from the value of an underlying asset or assets, such as stocks, bonds, funds (including ETFs), interest rates or indexes. The Target Fund invests in derivatives as a substitute for directly shorting stocks in order to seek returns for a single day that are inverse (-1x) to the returns of the Index for that day. These derivatives principally include:
	  • Swap Agreements — Contracts entered into primarily with major global financial institutions for a specified period ranging from a day to more than one year. In a standard "swap" transaction, two parties agree to exchange the return (or differentials in rates of return) earned or realized on particular predetermined investments or instruments. The gross return to be exchanged or "swapped" between the parties is calculated with respect to a "notional amount," e.g., the return on or change in value of a particular dollar amount invested in a "basket" of securities or an ETF representing a particular index.
	  • Futures Contracts — Standardized contracts traded on, or subject to the rules of, an exchange that call for the future delivery of a specified quantity and

INFORMATION OF THE TARGET FUND	

	type of asset at a specified time and place or, alternatively, may call for cash settlement.
	
	• Money Market Instruments — The Target Fund invests in short-term cash instruments that have a remaining maturity of 397 days or less and exhibit high quality credit profiles, for example:
	  • US Treasury Bills — US government securities that have initial maturities of one year or less, and are supported by the full faith and credit of the US government.
	  • Repurchase Agreements — Contracts in which a seller of securities, usually US government securities or other money market instruments, agrees to buy the securities back at a specified time and price. Repurchase agreements are primarily used by the Target Fund as a short-term investment vehicle for cash positions.
	
	ProShare Advisors uses a mathematical approach to investing. Using this approach, ProShare Advisors determines the type, quantity and mix of investment positions that it believes, in combination, the Target Fund should hold to produce daily returns consistent with the Target Fund's daily investment objective. The Target Fund may gain inverse exposure to only a representative sample of the securities in the Index or to securities not contained in the Index or in financial instruments, with the intent of obtaining exposure with aggregate characteristics similar to those of the inverse of the single day returns of the Index. In managing the assets of the Target Fund, ProShare Advisors does not invest the assets of the Target Fund in securities or financial instruments based on ProShare Advisors' view of the investment merit of a particular security, instrument, or company, nor does it conduct conventional investment research or analysis or forecast market movement or trends. The Target Fund seeks to remain fully invested at all times in securities and/or financial instruments that, in combination, provide inverse exposure to the single day returns of the Index, consistent with its investment objective, without regard to market conditions, trends or direction. The Target Fund seeks investment results for a single day only, measured as the time the Target Fund calculates its net asset value to the next time the Target Fund calculates its net asset value, and not for any other period.
	
	The Target Fund seeks to engage in daily rebalancing to position its portfolio so that its exposure to the Index is consistent with the Target Fund's daily investment objective. The time and manner in which the Target Fund rebalances its portfolio may vary from day to day at the discretion of ProShare Advisors, depending on market conditions and other circumstances. The Index's movements during the day will affect whether the Target Fund's portfolio needs to be rebalanced. For example, if the Index has risen on a given day, net assets of the Target Fund should fall (assuming there were no Creation Units issued). As a result, the Target Fund's

INFORMATION OF THE TARGET FUND	
	inverse exposure will need to be decreased. Conversely, if the Index has fallen on a given day, net assets of the Target Fund should rise (assuming there were no Creation Unit redemptions). As a result, the Target Fund's inverse exposure will need to be increased. Daily rebalancing and the compounding of each day's return over time means that the return of the Target Fund for a period longer than a single day will be the result of each day's returns compounded over the period. This will very likely differ in amount, and possibly even direction, from the inverse (-1x) of the return of the Index for the same period. The Target Fund will lose money if the Index's performance is flat over time. The Target Fund can lose money regardless of the performance of the Index, as a result of daily rebalancing, the Index's volatility, compounding of each day's return and other factors. The Target Fund will concentrate (i.e., invest in securities that represent 25% or more of the value of the Index) or focus (i.e., invest in securities that represent a substantial portion of its value, but less than 25%) its investments in a particular industry or group of industries to approximately the same extent the Index is so concentrated or focused.
Investment Restrictions of the Target Fund	See Appendix of Section 14.
Specific Risks of the Target Fund	See Appendix of Section 14.
Fees and Charges of the Target Fund	The fees and charges incurred by the Fund when investing in the Target Fund are as follows: Investment advisory fee: 0.75% of the net asset value of the Target Fund. Other expenses: 0.14% of the net asset value of the Target Fund. The Target Fund bears all expenses of its operations other than those assumed by ProShare Advisors or the administrator. Target Fund expenses include but are not limited to: the investment advisory fee; management services fee; administrative fees, index receipt agent fees, principal financial officer/treasurer services fees; compliance service fees, anti-money laundering administration fees; custodian and accounting fees and expenses, legal and auditing fees; securities valuation expenses; fidelity bonds and other insurance premiums; expenses of preparing and printing prospectuses, proxy statements, and shareholder reports and notices; registration fees and expenses; proxy and annual meeting expenses, if any; licensing fees; listing fees; all federal, state, and local taxes (including, without limitation, stamp, excise, income, and franchise taxes); organizational costs; and Independent Trustees' fees and expenses.

INFORMATION OF THE TARGET FUND	
	Impact on Fees and Charges of the Target Fund on the Costs of Investing in the Fund There are fees and general expenses which will be charged to the Target Fund as mentioned above; therefore, Unit Holders are indirectly bearing the fees and expenses charged at the Target Fund level as well as the fees and expenses of the Fund. **Investors may be subjected to higher fees arising from the layered investment structure of a feeder fund.**
Redemption Policy of the Target Fund	Shares of the Target Fund may be redeemed only in Creation Units at their net asset value next determined after receipt of a redemption request in proper form by the distributor on any Business Day. The ProShares Trust will not redeem shares of the Target Fund in amounts less than Creation Units. Beneficial owners (including the Fund) also may sell shares of the Target Fund in the secondary market, but must accumulate enough shares of the Target Fund to constitute a Creation Unit in order to have such shares redeemed by ProShares Trust. There can be no assurance, however, that there will be sufficient liquidity in the public trading market at any time to permit assembly of a Creation Unit of shares of the Target Fund. Investors should expect to incur brokerage and other costs in connection with assembling a sufficient number of shares of the Target Fund to constitute a redeemable Creation Unit. As the Fund will only be selling the shares of the Target Fund via the secondary market, the Fund will receive the sale proceeds in cash by the second Business Day (T+2) after the sale order is confirmed. The sale proceed will be an amount equal to the price of the shares of the Target Fund being sold by the Fund in the secondary market, less the Transaction Fee* (the "Cash Redemption Amount"). ** The Transaction Fee payable by the Fund are set out in Transaction Through NYSE Arca under Section 3.3.*
Suspension or Postponement of Right of Redemption	The Target Fund may, in its discretion, suspend the right of creation or redemption or may postpone the redemption or purchase settlement date, (1) for any period during which the exchange is closed (other than customary weekend and holiday closings); (2) for any period during which trading on the exchange is suspended or restricted; (3) for any period during which an emergency exists as a result of which disposal of the shares of the Target Fund's portfolio securities or determination of its net asset value is not reasonably practicable; (4) in such other circumstance as is permitted by the SEC; or (5) for up to 14 days during an international local holiday, as described in the prospectus or statement of additional information of the Target Fund.

3.3 Investing in the Target Fund via MAMG Inverse ETF Fund vs Investing Directly in the Target Fund

The key differences of investing in the Target Fund (i) via the Fund and (ii) directly in the Target Fund are as follows:

<table>
<tr><th>Features</th><th>Investment via MAMG Inverse ETF Fund</th><th>Direct investment in the Target Fund</th></tr>
<tr><td>Structure</td><td>Unlisted unit trust fund</td><td>Exchange-traded fund listed on NYSE Arca</td></tr>
<tr><td>Transactions</td><td>Investors can transact Units via the authorized distributors of the Manager.</td><td>Investors can purchase/sell directly shares of the Target Fund through the large institutional investors or trade via the NYSE Arca.</td></tr>
<tr><td>Pricing</td><td>Forward Pricing will be used to determine the NAV per Unit as at the next valuation point after we receive the purchase request or repurchase request.</td><td>Investors are able to trade shares of the Target Fund intraday with real-time pricing. Like any other publicly-traded shares, shares of the Target Fund can be bought and sold on NYSE Arca throughout the trading day and such transactions in the secondary market on NYSE Arca will occur at quoted market prices.

Supply and demand for shares of the Target Fund may affect the investors' ability to transact shares of the Target Fund.</td></tr>
<tr><td>Fees and Charges</td><td>These are the charges that investors may directly incur when buying or redeem Units of the Fund.
<table>
<tr><th>Charges</th><th>Details</th></tr>
<tr><td>Sales charge :</td><td>Up to 1.00% of the NAV per Unit</td></tr>
<tr><td>Redemption charge :</td><td>Nil</td></tr>
<tr><td>Transfer fee :</td><td>10.00 per transfer in the currency denomination of the Class</td></tr>
<tr><td>Switching fee :</td><td>10.00 per switch in the currency denomination of the Class

In addition to the switching fee, you will also have to pay the difference in sales charge when switching from a fund with lower sales charge to a fund with higher sales charge</td></tr>
</table></td><td><u>Transaction Through NYSE Arca</u>

These are fees and charges incurred directly by investors if purchase or sale of shares of the Target Fund are made through NYSE Arca:
<table>
<tr><th>Fees and Charges</th><th>Details</th></tr>
<tr><td>Brokerage fee :</td><td>USD 0.10 per share of the Target Fund</td></tr>
<tr><td>Bank charges :</td><td>USD16 per transaction</td></tr>
<tr><td>SEC fee :</td><td>0.0008% (for sell trade)</td></tr>
</table>
Investors should check with their brokers on the actual fees and charges which may be incurred.

In addition to the above charges, there are charges that the investors may incur indirectly when they invest in the shares of the Target Fund as set out in "Fees and Charges of the Target Fund" in section 3.2 above.</td></tr>
</table>

	There are also other fees that investors may indirectly incur when investing in the Fund. **Charges** — **Details** Management fee : Up to 0.50% per annum of the NAV of the Fund Trustee fee : Up to 0.03% per annum of the NAV of the Fund (excluding foreign custodian fees and charges) The above fees and charges are subject to such increase / variation as permitted by the Deed. Additionally, there are other expenses which are directly related and necessary to the operation and administration of the Fund that may be charged to the Fund. Notwithstanding the above, there are also other charges incurred by the Fund when investing into the Target Fund via following modes. Transaction Through NYSE Arca *Kindly refer to the next column of "Direct investment in the Target Fund" on the charges incurred when investing into the Target Fund via this mode.*	

3.4 Special Considerations in relation to the Target Fund

The Target Fund presents certain risks, some of which are further described below.

TRACKING AND CORRELATION

Several factors may affect the Target Fund's ability to achieve a high degree of correlation with its benchmark. Among these factors are: (i) the Target Fund's fees and expenses, including brokerage (which may be increased by high portfolio turnover) and the costs associated with the use of derivatives; (ii) less than all of the securities underlying the Target Fund's benchmark being held by the Target Fund and/or securities not included in its benchmark being held by the Target Fund; (iii) an imperfect correlation between the performance of instruments held by the Target Fund, such as futures contracts, and the performance of the underlying securities in a benchmark; (iv) bid-ask spreads (the effect of which may be increased by portfolio turnover); (v) holding instruments traded in a market that has become illiquid or disrupted; (vi) the Target Fund's share prices being rounded to the nearest cent; (vii) changes to the benchmark that are not disseminated in advance; (viii) the need to conform the Target Fund's portfolio holdings to comply with investment restrictions or policies or regulatory or tax law requirements; (ix) limit-up or limit-down trading halts on options or futures contracts which may prevent the Target Fund from purchasing or selling options or futures contracts; (x) early and unanticipated closings of the markets on which the holdings of the Target Fund trade, resulting in the inability of the Target Fund to execute intended portfolio transactions; and (xi) fluctuations in currency exchange rates.

Also, because the Target Fund engages in daily rebalancing to position its portfolio so that its exposure to the Index is consistent with the Target Fund's daily investment objective, disparities between estimated and actual purchases and redemptions of the Target Fund may cause the Target Fund to be under- or overexposed to its benchmark. This may result in greater tracking and correlation error.

Furthermore, the Target Fund has an investment objective to seek daily investment results, before fees and expenses, that correspond to the performance of the inverse (-1x) of the daily performance of the Index for a single day, not for any other period. A "single day" is measured from the time the Target Fund calculates its net asset value to the time of the Target Fund's next net asset value calculation.

The Target Fund is subject to the correlation risks described above. In addition, while a close correlation of the Target Fund to its benchmark may be achieved on any single day, the Target Fund's performance for any other period is the result of its return for each day compounded over the period. This usually will differ in amount and possibly even direction from the inverse (-1x) of the daily return of the Index for the same period, before accounting for fees and expenses.

THE CORRELATION RISK OF THE TARGET FUND

As a result of compounding, for periods greater than one day, the use of leverage tends to cause the performance of the Target Fund to vary from its benchmark performance times the inverse multiple in the Target Fund's investment objective, before accounting for fees and expenses. Compounding affects all investments, but has a more significant impact on the Target Fund. Four factors significantly affect how close daily compounded returns are to longer-term benchmark returns times the Target Fund's multiple: the length of the holding period, benchmark volatility, whether the multiple is positive or inverse, and its leverage level. Longer holding periods, higher benchmark volatility, inverse exposure and greater leverage each can lead to returns that differ in amount, and possibly even direction, from the Target Fund's stated multiple times its benchmark return.

The Target Fund's return for periods longer than one day is primarily a function of the following:
a) benchmark performance;
b) benchmark volatility;
c) period of time;
d) financing rates associated with inverse exposure;
e) other Target Fund expenses;
f) dividends or interest paid with respect to securities included in the benchmark; and
g) daily rebalancing of the underlying portfolio.

4. FEES AND CHARGES

There are fees and charges involved and you are advised to consider the fees and charges before investing in the Fund. We reserve the right to waive or reduce the fees and charges involved at our absolute discretion.

Note: All fees, charges and expenses stated herein are exclusive of any applicable tax which may be imposed by the government or the relevant authority. You and/or the Fund (as the case may be) are responsible to pay the applicable amount of tax, if any, in addition to the fees, charges and expenses stated herein.

<table>
<tr><th colspan="2">FEES AND CHARGES</th></tr>
<tr><td>Sales Charge</td><td>Up to 1.00% of the NAV per Unit.
Notes:
(1) We reserve the right to waive or reduce the sales charge from time to time at our absolute discretion.
(2) You may negotiate for a lower sales charge.
(3) There is no initial sales charge for investing in the Target Fund. Hence, the sales charge will be charged at the Fund level only.</td></tr>
<tr><td>Redemption Charge</td><td>Nil.</td></tr>
<tr><td>Switching Fee</td><td><table><tr><th>MYR Class</th><th>MYR (Hedged) Class</th><th>USD Class</th></tr><tr><td colspan="2">RM 10.00 per switch</td><td>USD 10.00 per switch</td></tr></table>Notes:
(1) We reserve the right to waive the switching fee at our absolute discretion.
(2) In addition to the switching fee, you will have to pay the difference in sales charge when switching from a fund with lower sales charge to a fund with higher sales charge.</td></tr>
<tr><td>Transfer Fee</td><td><table><tr><th>MYR Class</th><th>MYR (Hedged) Class</th><th>USD Class</th></tr><tr><td colspan="2">RM 10.00 per transfer</td><td>USD 10.00 per transfer</td></tr></table>Notes:
(1) We reserve the right to waive the transfer fee at our absolute discretion.
(2) We reserve the right to decline any transfer request if such transfer will expose us to any liability and/or will contravene any law or regulatory requirements, whether or not having the force of law.</td></tr>
<tr><td>Annual Management Fee</td><td>Up to 0.50% per annum of the NAV of each Class, calculated and accrued daily in the Base Currency, and payable monthly to us.
Note: The annual management fee is in addition to the investment advisory fee charged by the Target Fund.</td></tr>
<tr><td>Annual Trustee Fee</td><td>Up to 0.03% per annum of the NAV of the Fund (excluding foreign custodian fees and charges), calculated and accrued daily in the Base Currency and payable monthly to the Trustee.</td></tr>
</table>

FEES AND CHARGES	
Fund Expenses	Only fees and expenses that are directly related and necessary to the operation and administration of the Fund or a Class may be charged to the Fund or a Class.

5. TRANSACTION DETAILS

TRANSACTION DETAILS	
Minimum Initial Investment^	<table><tr><th>MYR Class</th><th>MYR (Hedged) Class</th><th>USD Class</th></tr><tr><td>RM 5,000</td><td>RM 5,000</td><td>USD 5,000</td></tr></table>
Minimum Additional Investment^	<table><tr><th>MYR Class</th><th>MYR (Hedged) Class</th><th>USD Class</th></tr><tr><td>RM 1,000</td><td>RM 1,000</td><td>USD 1,000</td></tr></table>
Minimum Unit Holdings^	1,000 Units.
Minimum Redemption of Units	None, provided the minimum Unit holdings requirement is met. If a Unit Holder's Unit holdings, after a redemption request, are below the minimum Unit holdings, full redemption will be initiated.
^ or such other lower amount or number of Units (as the case may be) as may be decided by us from time to time. *Note: Our distributors may set a lower minimum initial and/or additional investments than the above for investments made via the distributors subject to their terms and conditions for investment.*	
Transfer Facility	Transfer of ownership of Units is allowed for this Fund. Transfer of ownership from the account of the deceased Unit Holder to his/her personal representative will only be undertaken through the process of estate administration and death claims procedures.
Switching Facility	Unit Holders are permitted to switch from and to other funds managed by us provided that both funds are denominated in the same currency. Switching is treated as a withdrawal from 1 fund and an investment into another fund. Switching will be made at the prevailing NAV per Unit of the Class to be switched from on a Business Day when the switching request is received and accepted by us, subject to the availability and any terms and conditions imposed by the intended fund to be switched to, if any. There is no restriction on the minimum number of Units for a switch or the frequency of switching. However, you must meet the minimum Unit holdings (after the switch) of the Class that you intend to switch from unless you are redeeming all your investments from the Class.

TRANSACTION DETAILS	
	Unit Holders who switch from a fund with a lower sales charge to a fund with a higher sales charge need to pay the difference in sales charge between the sales charge of these 2 funds in addition to the switching fee. Unit Holders who switch from a fund with higher sales charge to a fund with a lower sales charge do not need to pay the difference in sales charge between these funds. We reserve the right to vary the terms and conditions for switching from time to time, which shall be communicated to you in writing. *Note: Our distributors may set an earlier cut-off time for receiving applications in respect of switching of Units. Please check with the respective distributors for their respective cut-off time.*
Cooling-off Right	Cooling-off right is not applicable for this Fund.
Dealing Cut-Off Time for Subscription, Redemption and Switching of Units	The dealing cut-off time shall be at **4.00 p.m.** on a Business Day. Any application received after the cut-off time on a Business Day will be treated as having been received on the next Business Day and will be processed on the next Business Day based on the next Forward Pricing of the Fund. *Note: Our distributors may set an earlier cut-off time for receiving applications in respect of any dealing in Units. Please check with the respective distributors for their respective cut-off time.*
Subscription of Units	Subscription request/application can be made on any **Business Day**. There is no restriction on the frequency of subscription. For any subscription request/application received via e-mail notification (or by fax, if e-mail is down) by us as well as cleared funds (unless any prior arrangement is made with us) received on or before the cut-off time of 4.00 p.m. on a Business Day, the Units will be created based on the NAV per Unit as at the next valuation point after the applicable subscription of Units is received and accepted by us. Any subscription request/application received or deemed to have been received by us after this cut-off time would be considered as being transacted on the next Business Day. *Note: Our distributors may set an earlier cut-off time for receiving requests/applications in respect of subscription of Units. Please check with the respective distributors for their respective cut-off time.*
Redemption of Units and Payment of Redemption Proceeds	Redemption request/application can be made on any Business Day. There is no restriction on the frequency of redemption. For any redemption request/application received or deemed to have been received via fax or e-mail notification by us on or before the cut-off time of 4.00 p.m. on any Business Day, the Units will be cancelled based on the NAV per Unit as at the next valuation point after the request for redemption of Units is received by us. Any redemption request/application

TRANSACTION DETAILS	
	received or deemed to have been received by us after the cut-off time would be considered as being transacted on the next Business Day. As the Fund is a feeder fund which invests substantially in the Target Fund and offers Classes denominated in currencies that are different from the Base Currency, the Cash Redemption Amount received by the Fund may be subject to currency conversion before the redemption proceed is paid to the Unit Holders. As such, Unit Holders shall be paid within five (5) Business Days from the Fund's receipt of the Cash Redemption Amount from the Target Fund, which would be within nine (9) Business Days from the date the redemption request is received by us. Transaction costs such as charges for electronic payments, if any, will be borne by the Unit Holders and set-off against the redemption proceeds. We shall remit the redemption proceeds to the bank account held in the name of the Unit Holder(s). *Note: Our distributors may set an earlier cut-off time for receiving requests/applications in respect of redemption of Units. Please check with the respective distributors for their respective cut-off time.*
For both applications for and redemption of Units, we shall not be held responsible for any delay or loss incurred in the event of: • Real Time Electronic Transfer of Funds and Securities (RENTAS) experiencing problems; • Any remittance of funds that does not correspond with the request promptly; • Inaccurate details (including but not limited to identity card number and account number) provided by Unit Holders; or • Circumstances beyond our control or the Trustee's control.	
Suspension of Dealing in Units	We may, in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the dealing in Units due to exceptional circumstances, where there is good and sufficient reason to do so (i.e. if the dealings of shares in the Target Fund is suspended in the circumstances set out in Section 3.2 under the heading "Suspension or Postponement of Right of Redemption"). We will cease the suspension as soon as practicable after the aforesaid circumstances has ceased, and in any event within 21 days of commencements of suspension. The period of suspension may be extended if we satisfy the Trustee that it is in the best interest of Unit Holders for the dealing in Units to remain suspended. Such suspension will be subject to weekly review by the Trustee. Any redemption request received by us during the suspension period will only be accepted and processed on the next Business Day after the cessation of suspension of the Fund. In such cases, Unit Holders will be compelled to remain invested in the Fund for a longer period of time than the stipulated

TRANSACTION DETAILS	
	redemption timeline. Hence, their investments will continue to be subjected to the risk factors inherent to the Fund. Where such suspension is triggered, we will inform all Unit Holders in a timely and appropriate manner of our decision to suspend the dealing in Units.

6. RISKS RELATING TO THE FUND

It is important to note that events affecting the investments cannot always be foreseen. Therefore, it is not always possible to protect your investment against all risks. The various asset classes generally exhibit different levels of risks. Please note that the returns of the Fund are not guaranteed.

The investments of the Fund carry risks and we recommend that you read the entire Information Memorandum to assess the risks of the Fund.

Investors are reminded that the list of risks below may not be exhaustive and if necessary, they should consult their adviser(s), e.g. bankers, lawyers, stockbrokers or independent professional advisers for a better understanding of the risks.

6.1 General Risks of Investing in the Fund

GENERAL RISKS	
Market Risk	The value of an investment will decrease or increase due to changes in market factors i.e. economic, political or other events that impact large portions of the market. Market risk cannot be eliminated, hence the Fund's investment portfolio may be prone to changing market conditions that may result in uncertainties and fluctuations in the value of the underlying investment portfolio of the Fund, causing the NAV or prices of Units to fluctuate.
Liquidity Risk	Liquidity risk of the Fund is our ability as manager to honour redemption requests or to pay Unit Holders' redemption proceeds in a timely manner. We will actively manage the liquidity of the Fund and/or where available, borrow or take cash financing on a temporary basis as permitted by the relevant laws to manage the Unit Holders' redemption request. Should there be inadequate liquid assets held, the Fund may not be able to honour requests for redemption or to pay Unit Holders' redemption proceeds in a timely manner and may be forced to dispose the shares of the Target Fund at unfavourable prices to meet redemption requirements.
Inflation Risk	This is the risk that Unit Holders' investment in the Fund may not grow or generate returns at a rate that keeps pace with inflation. This would reduce Unit Holders' purchasing power even though the value of the investment in monetary terms has increased.
Returns Are Not Guaranteed	Unit Holders should take note that by investing in the Fund, there is no guarantee of any income distribution or capital appreciation. Unlike fixed deposits placed directly by the Unit

GENERAL RISKS	
	Holders with any financial institution which carry a specific rate of return, the Fund does not provide a fixed rate of return.

6.2 Specific Risks of the Fund

SPECIFIC RISKS	
Concentration Risk	As the Fund invests at least 90% of its NAV in the Target Fund, it is subject to concentration risk as the performance of the Fund would be dependent on the performance of the Target Fund.
Default Risk	Default risk relates to the risk that an issuer of a money market instrument or a financial institution which the Fund places deposit with either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the money market instruments or deposits and the performance of the Fund. Deposits that the Fund placed with financial institutions are also exposed to default risk. If the financial institutions become insolvent, the Fund may suffer capital losses with regards to the capital invested and interest foregone, causing the performance of the Fund to be adversely affected. Placement with financial institutions will also be made based on prudent selection.
Counterparty Risk	Counterparty risk refers to a risk that relates to the credit standing of counterparties when OTC transactions are carried out and is generally not applicable to transactions performed through exchanges. In the event where counterparties of a contract fail to live up to its contractual obligations, the Fund will suffer from financial losses. The Fund seeks to reduce this risk by performing fundamental credit research and analysis to determine the creditworthiness of the counterparties, prior to commencement of the investment. Should there be a downgrade in the credit rating of the OTC derivatives' counterparty, we will evaluate the situation and reassess the creditworthiness of the counterparty. We will take the necessary steps in the best interest of the Fund.
Correlation Risk	There may not be perfect correlation between the NAV of the Fund with the performance of the Target Fund. Factors such as fees and expenses of the Fund, transaction costs, imperfect correlation of returns between the NAV of the Fund and the performance of the Target Fund, foreign exchange costs and changes to the regulatory policies may affect the Manager's ability to achieve close correlation with the performance of the Target Fund. The amount of fees, taxes and expenses payable by the Fund will fluctuate in relation to the NAV of the Fund. Although the amount of certain ordinary expenses of the Fund can be estimated, the growth rate of the Fund and hence, its NAV, cannot be anticipated. The above factors may

SPECIFIC RISKS	
	cause the Fund's returns to deviate from the performance of the Target Fund.
Currency Risk	As the base currency of the Fund is denominated in USD and the currency denomination of the Classes may be denominated in other than USD, the Classes not denominated in USD are exposed to currency risk. Any fluctuation in the exchange rates between USD and the currency denomination of the Class (other than USD Class) will affect the Unit Holder's investments in those Classes (other than USD Class). The impact of the exchange rate movement between the Base Currency and the currency denomination of the Class (other than USD Class) may result in a depreciation of the Unit Holder's holdings as expressed in the Base Currency. In order to manage currency risk, we may employ currency hedging strategies to fully or partially hedge the foreign currency exposure of the Class other than MYR Class and USD Class. However, every hedge comes with a cost and will be borne by the respective Class. Currency hedging may reduce the effect of the exchange rate movement for the Class being hedged (other than MYR Class and USD Class) but it does not entirely eliminate currency risk between the Class and the Base Currency. The unhedged portion of the Class will still be affected by the exchange rate movements and it may cause fluctuation of NAV of the Class. You should note that if the exchange rate moves favourably, the Class (other than MYR Class and USD Class) will not benefit from any upside in currency movement due to the hedging strategy. In addition, hedging is subject to a minimum size of entering into a hedging contract and the cost of hedging may affect returns of the hedged class. There is no guarantee that the hedging will be successful and mismatches may occur between the currency position of the Fund and the Class being hedged.
Volatility Risk	Prices of the Fund may be more volatile than conventional exchange-traded funds or unit trust funds because of the daily rebalancing activities at the Target Fund level and the Target Fund's investment in futures contracts which may expose the Target Fund to losses in excess of the amount initially invested.
Investment Advisors Risk	The Fund will invest in the Target Fund managed by a foreign asset management company. This risk refers to the risk associated with the Investment Advisors, which include: (i) the risk of non-adherence to the investment objective, strategy and policies of the Target Fund; (ii) the risk of direct or indirect losses resulting from inadequate or failed operational and administrative processes and systems by the Investment Advisors; and (iii) the risk that the Target Fund may underperform its benchmark due to poor investment decisions by the Investment Advisors.

6.3 Risk Management Strategy

RISK MANAGEMENT STRATEGY	
Risk Management Strategy and Technique	Risk management is an integral part of our investment management process. In order to ensure that the Fund is managed in accordance with the Guidelines and the Deed, proper procedures and parameters are in place to manage the risks that are applicable to the Fund. Regular monitoring, reviews and reporting are also undertaken by us to ensure that the Fund's investment objective is met. **Liquidity Risk Management** In evaluating the Fund's liquidity, we will: (a) actively manage the liquidity risk of the Fund to meet redemption requests from Unit Holders; and/or (b) where available, borrow cash or take cash financing on a temporary basis for the purpose of meeting redemption requests for Units and for short term bridging requirements. However, if we have exhausted the above avenue we will then, in consultation with the Trustee and having considered the interests of the Unit Holders, resort to suspend the redemption of Units to manage the liquidity of the Fund if the dealings of shares in the Target Fund is suspended in the circumstances set out in section 3.2 under the heading "Suspension or Postponement of Right of Redemption". Any redemption request received by us during the suspension period will only be accepted and processed on the next Business Day after the cessation of suspension of the Fund. Please refer to Section 5 for more information on suspension of dealing in Units.

7. PRICING POLICY

PRICING POLICY	
Single Pricing Regime	We adopt a single pricing regime in calculating a Unit Holder's purchase and redemption of Units. This means that all purchases and redemptions are transacted on a single price (i.e. NAV per Unit). You would therefore purchase and redeem Units at NAV per Unit. The Selling Price and Redemption Price are based on Forward Pricing.
Selling Price	The Selling Price of a Unit of a Class is the NAV per Unit at the next valuation point after the request to purchase Units is received by us (Forward Pricing). The sales charge applicable to the Class is payable by you in addition to the Selling Price for the Units purchased.

PRICING POLICY	
	Calculation of Selling Price **Illustration – Sale of Units** ***Example:*** If you wish to invest RM10,000.00 in MYR Class before 4.00 p.m. on any Business Day, and if the sales charge is 1.00% of the NAV per Unit of the MYR Class, the total amount to be paid by you and the number of Units issued to you will be as follows: Assuming that the NAV per Unit for the MYR Class at the end of a Business Day = RM0.5000. Sales charge incurred $= \frac{\text{Investment amount}}{1 + \text{sales charge (\%)}} \times \text{sales charge (\%)}$ $= \frac{\text{RM10,000}}{1 + 1.0\%} \times 1.0\%$ = RM99.10 Net investment amount = Investment amount – sales charge = RM10,000 – RM99.10 = RM9,900.90 Units credited to investor = Net investment amount / NAV per Unit = RM9,900.90 / RM0.5000 = 19,801.80 Units
Redemption Price	The Redemption Price of a Unit of a Class is the NAV per Unit at the next valuation point after the redemption request is received by us (Forward Pricing). Calculation of Redemption Price **Illustration – Redemption of Units** ***Example:*** If you wish to redeem 10,000.00 Units from MYR Class before 4.00 p.m. on any Business Day and if no redemption charge is imposed, the total amount to be paid to you and the number of Units redeemed by you will be as follows: Assuming that the NAV per Unit for the MYR Class at the end of a Business Day = RM0.5000 Redemption charge payable by you = 0% x RM0.5000 x 10,000 Units = RM0.00 The total amount to be paid to you will be: = the number of Units to be redeemed multiplied with the NAV per Unit less redemption charge = [10,000.00 Units x RM0.5000] – RM0.00 = **RM5,000.00** Therefore, you will receive **RM5,000.00** as redemption proceeds.
Incorrect Pricing	We shall ensure that the Fund and the Units of the Class are correctly valued and priced according to the Deed and all relevant laws. Where there is an error in the valuation and

PRICING POLICY	
	pricing of the Fund and/or Units, any incorrect valuation and pricing of the Fund and/or Units which is deemed to be significant will involve the reimbursement of money in the following manner: (i) by us to the Fund; or (ii) by the Fund to you and/or to former Unit Holders. However, reimbursement of money shall only apply if the error is at or above the significant threshold of 0.5% of the NAV per Unit and the amount to be reimbursed is RM10.00 (or in the case of a foreign currency Class, 10.00 denominated in the respective foreign currency denomination) or more.

8. VALUATION POLICY AND VALUATION BASIS

VALUATION POLICY AND VALUATION BASIS	
Valuation Point	The Fund must be valued at least once every Business Day after the close of the market in which the portfolio of the Fund is invested for the relevant day but not later than the end of next Business Day. As such, the daily price of the Fund for a particular Business Day will not be published on the next Business Day but will instead be published two (2) Business Days later (i.e., the price will be two (2) days old).
Valuation of Investment	The valuation bases of the permitted investments of the Fund are as follows: <u>Collective Investment Schemes</u> The value of any investment in the Target Fund, a listed collective investment scheme, is valued each day based on the last done market price per share for that collective investment scheme. <u>Money market instruments</u> Investments in commercial papers and treasury bills are valued each day based on the price quoted by a bond pricing agency ("BPA") registered with the SC. Where we are of the view that the price quoted by BPA differs from the market price by more than 20 basis points, we may use the market price provided that we: (i) record our basis for using a non-BPA price; (ii) obtain the necessary internal approvals to use the non-BPA price; and (iii) keep an audit trail of all decisions and basis for adopting the market yield. For investments in money market instruments with remaining term to maturity of not more than 90 days at the time of acquisition, such instruments are valued each day based on amortised cost. The risk of using amortised cost accounting is the mispricing of the money market instruments. We will

VALUATION POLICY AND VALUATION BASIS	
	monitor the valuation of such money market instruments using amortised cost method against the market value on a daily basis and will use the market value if the difference in valuation exceeds 3%. <u>Deposits</u> Deposits placed with financial institutions are valued each day by reference to the value of such investments and the interest accrued thereon for the relevant period. <u>Derivatives</u> Derivative positions will be valued daily at fair value, as determined in good faith by us based on methods or bases which have been verified by the auditor and approved by the Trustee. <u>Any other investments</u> Fair value as determined in good faith by us, on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee. <u>Foreign Exchange Translation</u> Where the value of an asset of the Fund is denominated in a foreign currency (if any), the assets are translated on a daily basis to USD using the bid foreign exchange rate quoted by either Reuters or Bloomberg, at United Kingdom time 4.00 p.m. which is equivalent to 11.00 p.m. or 12.00 midnight (Malaysia time) on the same day, or such other time as prescribed from time to time by FIMM or any relevant laws.

9. PARTIES TO THE FUND

PARTIES TO THE FUND	
The Manager	We are a member of Malayan Banking Berhad Group ("Maybank Group"). We were established on 5 March 1997 following the corporatization of the Investment Department of Maybank Investment Bank Berhad ("MIB"). MIB, which was incorporated on 28 September 1973, is the investment banking arm of the Maybank Group. We are a holder of a Capital Markets Services Licence under the CMSA. As at LPD, we have over 30 years of experience including the period prior to our corporatization at MIB in managing investments ranging from equities, fixed income securities, money market instruments to unit trust funds and wholesale funds mainly on behalf of corporations, institutions, insurance and takaful companies and individuals.
Our Role as the Manager	We are responsible for the day-to-day management of the Fund in accordance with, amongst others, the provisions of the Deed, the CMSA, the relevant SC's guidelines and our internal policies and for the development and implementation of

PARTIES TO THE FUND	
	appropriate investment strategies. The main tasks performed by us include: (a) selecting and managing investments of the Fund; (b) executing, supervising and valuing investments of the Fund; (c) conducting the sale and redemption of Units in the Fund; (d) issuing reports on the Fund's performance; (e) distributing income to Unit Holders; and (f) keeping proper records of the Fund.
Our Investment Team	Our investment team formulates, establishes and implements investment strategies and policies. The investment team will review and monitor the success of these strategies and policies using predetermined benchmarks towards achieving a proper performance for the Fund. The investment team will also ensure investment guidelines and regulations are complied with. The investment team will meet at least once a month or more should the need arise.
Designated Fund Manager	Syhiful Zamri bin Abdul Azid
The Trustee	TMF Trustees Malaysia Berhad
Duties and Responsibilities of the Trustee	The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders of the Fund. In performing these functions, the Trustee has to exercise due care and vigilance and is required to act in accordance with the provisions of the Deed, the laws and all relevant guidelines. The Trustee also assume an oversight function on the management company by ensuring that the management company performs its duties and obligations in accordance with the provisions of the Deed, the laws and all relevant guidelines.
Trustee's Statement of Responsibility	The Trustee has covenanted in the Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unit Holders.
Trustee's Material Litigation and Arbitration	As at LPD, the Trustee is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any fact likely to give rise to any proceedings which might materially affect the business or financial position of the Trustee.

10. SALIENT TERMS OF THE DEED

10.1 Rights of the Unit Holders

A Unit Holder has the right, amongst others:

(a) to receive distribution of income (if any);
(b) to participate in any increase in the value of the Units;
(c) to call for Unit Holders' meetings, and to vote for the removal of the Trustee or the Manager through special resolution;
(d) to receive annual and quarterly reports of the Fund; and
(e) to enjoy such other rights and privileges as set out in the Deed.

No Unit Holder shall be entitled to require the transfer to him of any of the Fund's assets or be entitled to interfere with or question the exercise by the Trustee, or the Manager on its behalf, of the rights of the Trustee as the registered owner of such assets.

10.2 Liabilities of Unit Holders

No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined in accordance to the Deed at the time the Units were purchased and any charges payable in relation thereto.

A Unit Holder shall not be under any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the Fund's assets, and any right of indemnity of the Manager and/or the Trustee pursuant to this clause shall be limited to recourse to the Fund.

10.3 Termination of the Fund or a Class

<u>Termination of the Fund</u>
The Manager, in accordance with the Deed, reserves the right to terminate the Fund if the Fund is left with no Unit Holders or where the Manager determines that it is in the best interest of the Unit Holder. The Manager, upon termination, shall notify the existing Unit Holders of the Fund in writing of the following options:

1. to receive the net cash proceeds derived from the sale of all the Fund's assets less any payment for liabilities of the Fund and any cash produce available for distribution (if any), in proportion to the number of Units held by the Unit Holders respectively;
2. to use the net cash proceeds to invest in any other wholesale fund managed by the Manager upon such terms and conditions as shall be set out in the written notification; or
3. to choose any other alternative as may be proposed by the Manager.

The Manager may also, in its sole discretion and without having to obtain the prior approval of the Unit Holders, terminate the trust hereby created and wind up the Fund if the Manager deems it to be uneconomical for the Manager to continue managing the Fund.

Nonetheless, the Fund may be terminated or wound up if a special resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund.

Termination of a Class

The Manager may terminate a particular Class via the passing of a special resolution by the Unit Holders of such Class at a meeting of Unit Holders of such Class, and subject to and in accordance with the relevant laws. The Manager may only terminate a particular Class if the termination of that Class does not prejudice the interests of Unit Holders of any other Class. For the avoidance of doubt, the termination of a Class shall not affect the continuity of any other Class of the Fund.

The Manager may, in its sole discretion and without having to obtain the prior approval of the Unit Holders, terminate a particular Class if the Manager deems it to be uneconomical for the Manager to continue managing that Class.

10.4 Power to call for a Meeting by Unit Holders

A Unit Holders' meeting may be called by the Manager, Trustee and/or Unit Holders. Any such meeting must be convened in accordance with the Deed.

The Unit Holders may direct the Manager to summon a meeting for any purpose including without limitation, for the purpose of:

(a) requiring the retirement or removal of the Manager;
(b) requiring the retirement or removal of the Trustee;
(c) considering the most recent financial statements of the Fund;
(d) giving to the Trustee such directions as the meeting thinks proper; or
(e) considering any matter in relation to the Deed,

provided always that the Manager shall not be obliged to summon such a meeting unless a direction has been received from not less than fifty (50) or one-tenth (1/10) of all the Unit Holders, whichever is the lesser number.

Every question arising at any meeting shall be decided in the first instance by a show of hands unless a poll is demanded or, if it be a question which under the Deed requires a special resolution a poll shall be taken. On a show of hands every Unit Holder who is present in person or by proxy shall have one vote. On a voting by poll, the votes by every Unit Holder present in person or by proxy shall be proportionate to the value of Units held by him.

Quorum

(a) The quorum required for a meeting of the Unit Holders of the Fund or a Class, as the case may be, shall be five (5) Unit Holders, whether present in person or by proxy; however, if the Fund or a Class, as the case may be, has five (5) or less Unit Holders, the quorum required for a meeting of the Unit Holders of the Fund or a Class, as the case may be, shall be two (2) Unit Holders, whether present in person or by proxy.

(b) If the meeting has been convened for the purpose of voting on a special resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty-five per centum (25%) of the Units in circulation of the Fund or a Class, as the case may be, at the time of the meeting.

(c) If the Fund or a Class, as the case may be, has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, shall constitute the quorum required for the meeting of the Unit Holders of the Fund or a Class, as the case may be.

11. CONFLICT OF INTERESTS AND RELATED PARTY TRANSACTIONS

Manager

As at LPD, we are not aware of any existing or potential conflict of interest situations which may arise.

Save as disclosed below, there are no existing or proposed related party transactions involving the Fund, us as the manager, the Trustee and/or persons connected to them as at LPD:

Name of Party	Name of Related Party and Nature of Relationship	Existing / Potential Related Party Transaction
The Manager	Maybank. The Manager is wholly-owned by Maybank Asset Management Group Berhad ("MAMG"). Maybank is a substantial shareholder of MAMG.	Distributor: Maybank has been appointed as one of the Manager's institutional unit trust scheme advisers. Delegate: The Manager has delegated its back office functions (i.e. the fund accounting and valuation function, and maintenance of the register of Unit Holders) to Maybank Securities Solutions which is a unit within Maybank.
	MAMG The Manager is wholly-owned by MAMG.	Delegate: The Manager has delegated its back office functions (i.e. finance, performance attribution, administration, legal, compliance, corporate secretarial services, strategy and project management office and risk management) to MAMG.
	Maybank Shared Services Sdn Bhd Maybank Shared Services Sdn Bhd is wholly-owned by Maybank.	Delegate: The Manager has delegated its back office function (i.e. information technology) to Maybank Shared Services Sdn Bhd.

12. TAX

Unit Holders and/or the Fund, as the case may be, will bear any tax which may be imposed by the government or other authorities from time to time in addition to the applicable fees, charges and expenses stated in this Information Memorandum.

13. CUSTOMER INFORMATION SERVICE

Unit Holders can seek assistance on any issue relating to the Fund from our client servicing personnel at our office at 03 – 2297 7888 from 8.45 a.m. to 5.45 p.m. from Monday to Thursday and from 8.45 a.m. to 4.45 p.m. on Friday. Alternatively, Unit Holders may e-mail their enquiries to mamcs@maybank.com.my.

Alternatively, Unit Holders can contact:

(i) Complaints Bureau, FIMM via:
- Tel No: 03 – 7890 4242
- email: complaints@fimm.com.my
- Online complaint form: www.fimm.com.my
- Letter: Complaints Bureau
  Legal, Secretarial & Regulatory Affairs
  Federation of Investment Managers Malaysia
  19-06-1, 6th Floor Wisma Tune
  No. 19, Lorong Dungun
  Damansara Heights
  50490 Kuala Lumpur.

(ii) Securities Industry Dispute Resolution Center (SIDREC) via:
- Tel No: 03 – 2282 2280
- Fax No: 03 – 2282 3855
- email: info@sidrec.com.my
- Letter: Securities Industry Dispute Resolution Center
  Unit A-9-1
  Level 9, Tower A
  Menara UOA Bangsar
  No. 5, Jalan Bangsar Utama 1
  59000 Kuala Lumpur.

(iii) Consumer & Investor Office, SC via:
- Tel No: 03 – 6204 8999 *(Aduan hotline)*
- Fax No: 03 – 6204 8991
- email: aduan@seccom.com.my
- Online complaint form: www.sc.com.my
- Letter: Consumer & Investor Office
  Securities Commission Malaysia
  No. 3 Persiaran Bukit Kiara
  Bukit Kiara
  50490 Kuala Lumpur.

14. APPENDIX

14.1 Investment Restrictions of the Target Fund

For purposes of the following limitations (except for the restriction on concentration), all percentage limitations apply immediately after a purchase or initial investment.

The Target Fund may not:

1. make investments for the purpose of exercising control or management.

2. purchase or sell real estate, except that, to the extent permitted by applicable law, the Target Fund may invest in securities directly or indirectly secured by real estate or interests therein or issued by companies that invest in real estate or interests therein.

3. make loans to other persons, except that the acquisition of bonds, debentures or other corporate debt securities and investment in government obligations, commercial paper, pass-through instruments, certificates of deposit, bankers' acceptances and repurchase agreements and purchase and sale contracts and any similar instruments shall not be deemed to be the making of a loan, and except, further, that the Target Fund may lend its portfolio securities, provided that the lending of portfolio securities may be made only in accordance with applicable law and the guidelines set forth in the prospectus and statement of additional information of the Target Fund, as they may be amended from time to time.

4. issue senior securities to the extent such issuance would violate applicable law.

5. borrow money, except that the Target Fund (i) may borrow from banks (as defined in the Investment Company Act of 1940) in amounts up to 33 1/3 % of its total assets (including the amount borrowed), (ii) may, to the extent permitted by applicable law, borrow up to an additional 5% of its total assets for temporary purposes, (iii) may obtain such short-term credit as may be necessary for the clearance of purchases and sales of portfolio securities, (iv) may purchase securities on margin to the extent permitted by applicable law and (v) may enter into reverse repurchase agreements. The Target Fund may not pledge its assets other than to secure such borrowings or, to the extent permitted by the Target Fund's investment policies as set forth in the prospectus and statement of additional information of the Target Fund, as they may be amended from time to time, in connection with hedging transactions, short sales, when-issued and forward commitment transactions and similar investment strategies.

6. underwrite securities of other issuers, except insofar as the Target Fund technically may be deemed an underwriter under the Securities Act of 1933, as amended, in selling portfolio securities.

7. purchase or sell commodities or contracts on commodities, except to the extent the Target Fund may do so in accordance with applicable law and the prospectus and statement of additional information of the Target Fund, as they may be amended from time to time.
8. concentrate (*i.e.*, hold more than 25% of its assets in the stocks of a single industry or group of industries) its investments in issuers of one or more particular industries, except that the Target Fund will concentrate to approximately the same extent that its index concentrates in the stocks of such particular industry or industries. For purposes of this limitation, securities of the US government (including its agencies and instrumentalities) and tax-free securities of state or municipal governments and their political subdivisions (and repurchase agreements collateralized by government securities) are not considered to be issued by members of any industry. For purposes of determining whether the Target Fund is concentrated in an industry or group of industries, the Target Fund may concentrate its investment in the securities of companies engaged in a single industry or group of industries to approximately the same extent as its benchmark and in accordance with its investment objective and policies as disclosed in the prospectus and statement of additional information of the Target Fund.

For so long as such guidance remains in effect, obligations under futures contracts, forward contracts and swap agreements that are "covered" consistent with SEC guidance currently in effect, including any SEC Staff no-action or interpretive positions, will not be considered senior securities for purposes of the Target Fund's investment restriction concerning senior securities.

14.2 Specific Risk of the Target Fund

You may lose the full value of your investment within a single day.

The principal risks described below are intended to provide information about the factors likely to have a significant adverse impact on the Target Fund's returns and consequently the value of an investment in the Target Fund. The risks are presented in an order intended to facilitate readability and their order does not imply that the realization of one risk is more likely to occur than another risk or likely to have a greater adverse impact than another risk.

While the realization of certain of the risks described herein may benefit the Target Fund because the Target Fund seeks daily investment results, before fees and expenses, that correspond to the inverse (-1x) of the daily return of the Index, such occurrences may introduce more volatility to the Target Fund, which could have a significant negative impact on Target Fund performance.

- Risks Associated with the Use of Derivatives — Investing in derivatives may be considered aggressive and may expose the Target Fund to greater risks and may result in larger losses or smaller gains than investing directly in the reference asset(s) underlying those derivatives. These risks include counterparty risk, liquidity risk and increased correlation risk. When the Target Fund uses derivatives, there may be imperfect correlation between the value of the reference asset(s) underlying the derivative (e.g., the Index) and the derivative, which may prevent the Target Fund from achieving its investment objective. Because derivatives often require only a limited initial investment, the use of derivatives also may expose the Target Fund to losses in excess of those amounts initially invested. The Target Fund may use a combination of swaps on the Index and swaps on an ETF that is designed to track the performance of the Index. The performance of an ETF may not track the performance of the Index due to embedded costs and other factors. Thus, to the extent the Target Fund invests in swaps that use an ETF as the reference asset, the Target Fund may be subject to greater correlation risk and may not achieve as high a degree of correlation with the Index as it would if the Target Fund only used swaps on the Index. Moreover, with respect to the use of swap agreements, if the Index has a dramatic intraday move that causes a material decline in the Target Fund's net assets, the terms of a swap agreement between the Target Fund and its counterparty may permit the counterparty to immediately close out the transaction with the Target Fund. In that event, the Target Fund may be unable to enter into another swap agreement or invest in other derivatives to achieve the desired exposure consistent with the Target Fund's investment objective. This, in turn, may prevent the Target Fund from achieving its investment objective, even if the Index reverses all or a portion of its intraday move by the end of the day. As a result, the value of an investment in the Target Fund may change quickly and without warning. Any costs associated with using derivatives will also have the effect of lowering the Target Fund's return.

- Leverage Risk — Leverage increases the risk of a total loss of an investor's (including the Fund's) investment, may increase the volatility of the Target Fund, and may magnify any differences between the performance of the Target Fund and the Index.

- Compounding Risk — The Target Fund has a single day investment objective, and the Target Fund's performance for any other period is the result of its return for each day compounded over the period. The performance of the Target Fund for periods longer than a single day will very likely differ in amount, and possibly even direction, from the inverse (-1x) of the daily return of the Index for the same period, before accounting for fees and expenses. Compounding affects all investments, but has a more significant impact on an inverse fund (i.e., the Target Fund). This effect becomes more pronounced as Index volatility and holding periods increase.

- Correlation Risk — A number of factors may affect the Target Fund's ability to achieve a high degree of inverse correlation with the Index, and there is no guarantee that the Target Fund will achieve a high degree of inverse correlation. Failure to achieve a high degree of inverse correlation may prevent the Target Fund from achieving its investment objective, and the percentage change of the Target Fund's net asset value each day may differ, perhaps significantly in amount, and possibly even direction, from the inverse (-1x) of the percentage change of the Index on such day.

  In order to achieve a high degree of inverse correlation with the Index, the Target Fund seeks to rebalance its portfolio daily to keep exposure consistent with its investment objective. Being materially under- or overexposed to the Index may prevent the Target Fund from achieving a high degree of inverse correlation with the Index and may expose the Target Fund to greater leverage risk. Market disruptions or closures, regulatory restrictions, market volatility, illiquidity in the markets for the financial instruments in which the Target Fund invests, and other factors will adversely affect the Target Fund's ability to adjust exposure to requisite levels. The target amount of portfolio exposure is impacted dynamically by the Index's movements, including intraday movements. Because of this, it is unlikely that the Target Fund will have perfect inverse (-1x) exposure during the day or at the end of each day and the likelihood of being materially under- or overexposed is higher on days when the Index is volatile, particularly when the Index is volatile at or near the close of the trading day.

  A number of other factors may also adversely affect the Target Fund's inverse correlation with the Index, including fees, expenses, transaction costs, financing costs associated with the use of derivatives, income items, valuation methodology, accounting standards and disruptions or illiquidity in the markets for the securities or financial instruments in which the Target Fund invests. The Target Fund may not have investment exposure to all of the securities in the Index, or its weighting of investment exposure to securities may be different from that of the Index. In addition, the Target Fund may invest in securities not included in the Index. The Target Fund may take or refrain from taking positions in order to improve tax efficiency, comply with regulatory restrictions, or for other reasons, each of which may negatively affect the Target Fund's correlation with the Index. The Target Fund may also be subject to large movements of assets into and out of the Target Fund, potentially resulting in the Target Fund being under- or overexposed to the Index and may be impacted by Index reconstitutions and Index rebalancing events. Additionally, the Target Fund's underlying investments and/or reference assets may trade on markets that may not be open on the same day as the Target Fund, which may cause a difference between the performance of the Target Fund and the performance of the Index. Any of these factors could decrease correlation between the performance of the Target Fund and the Index and may hinder the Target Fund's ability to meet its daily investment objective on or around that day.

- Rebalancing Risk — If for any reason the Target Fund is unable to rebalance all or a portion of its portfolio, or if all or a portion of the portfolio is rebalanced incorrectly, the Target Fund's investment exposure may not be consistent with the Target Fund's investment objective. In these instances, the Target Fund may have investment exposure to the Index that is significantly greater or less than its stated multiple. As a result, the Target Fund may be more exposed to leverage risk than if it had been properly rebalanced and may not achieve its investment objective.

- Counterparty Risk — Investing in derivatives and repurchase agreements involves entering into contracts with third parties (i.e., counterparties). The use of derivatives and repurchase agreements involves risks that are different from those associated with ordinary portfolio securities transactions. The Target Fund will be subject to credit risk (i.e., the risk that a counterparty is or is perceived to be unwilling or unable to make timely payments or otherwise meet its contractual obligations) with respect to the amount it expects to receive from counterparties to derivatives and repurchase

agreements entered into by the Target Fund. If a counterparty becomes bankrupt or fails to perform its obligations, or if any collateral posted by the counterparty for the benefit of the Target Fund is insufficient or there are delays in the Target Fund's ability to access such collateral, the value of an investment in the Target Fund may decline.

The counterparty to a listed futures contract is the clearing organization for the listed future, which is held through a futures commission merchant ("FCM") acting on behalf of the Target Fund. Consequently, the counterparty risk on a listed futures contract is the creditworthiness of the FCM and the exchange's clearing corporation.

- Short Sale Exposure Risk — The Target Fund may seek inverse or "short" exposure through financial instruments, which would cause the Target Fund to be exposed to certain risks associated with selling short. These risks include, under certain market conditions, an increase in the volatility and decrease in the liquidity of the instruments underlying the short position, which may lower the Target Fund's return, result in a loss, have the effect of limiting the Target Fund's ability to obtain inverse exposure through financial instruments, or require the Target Fund to seek inverse exposure through alternative investment strategies that may be less desirable or more costly to implement. To the extent that, at any particular point in time, the instruments underlying the short position may be thinly traded or have a limited market, including due to regulatory action, the Target Fund may be unable to meet its investment objective due to a lack of available securities or counterparties. During such periods, the Target Fund's ability to issue additional Creation Units may be adversely affected. Obtaining inverse exposure through these instruments may be considered an aggressive investment technique. Any income, dividends or payments by the assets underlying the Target Fund's short positions will negatively impact the Target Fund.

- Inverse Correlation Risk — Investors (including the Fund) will lose money when the Index rises — a result that is the opposite from traditional index funds. A single day or intraday increase in the level of the Index approaching 100% may result in the total loss or almost total loss of an investor's (including the Fund's) investment, even if the Index subsequently moves lower.

- Equity and Market Risk — Equity markets are volatile, and the value of securities, swaps, futures and other instruments correlated with equity markets may fluctuate dramatically from day to day. Equity markets are subject to corporate, political, regulatory, market and economic developments, as well as developments that impact specific economic sectors, industries or segments of the market. Further, stocks in the Index may underperform other equity investments. Volatility in the markets and/or market developments may cause the value of an investment in the Target Fund to decrease over short or long periods of time. As a fund seeking daily investment results, before fees and expenses, that correspond to the inverse (-1x) of the daily return of the Index, the value of an investment in the Target Fund is expected to decline when market conditions cause the level of the Index to rise.

- Concentration and Focused Investing — The Index may concentrate (i.e., composed of securities that represent 25% or more of the value of the Index) or focus (i.e., composed of securities that represent a substantial portion of its value, but less than 25%) in an industry or group of industries. The Target Fund will allocate its investments to approximately the same extent as the Index. As a result, the Target Fund may be subject to greater market fluctuations than a fund that is more broadly invested across industries. Financial, economic, business, regulatory conditions, and other developments affecting issuers in a particular industry or group of industries will have a greater effect on the Target Fund, and if securities of the particular industry or group of industries fall out of favor, the Target Fund could underperform, or its net asset value may be more volatile than, funds that have greater industry diversification.

- Information Technology Industry Risk — Companies in this industry may experience: intense competition, obsolescence of existing technology, and changing economic conditions and government regulation.

- Exposure to Large-Cap Company Investment Risk — Although returns on investments in large-cap companies are often perceived as being less volatile than the returns of companies with smaller market capitalizations, the return on large-cap securities could trail the returns on investments in smaller and mid-sized companies for a number of reasons. For example, large-cap companies may be unable to respond quickly to new competitive challenges, such as changes in technology, and also may not be able to attain the high growth rate of successful smaller companies.

- Non-Diversification Risk — The Target Fund is classified as "non-diversified" under the Investment Company Act of 1940, as amended. This means it has the ability to invest a relatively high percentage of its assets in the securities of a small number of issuers or in financial instruments with a single counterparty or a few counterparties. This may increase the Target Fund's volatility and increase the risk that the Target Fund's performance will decline based on the performance of a single issuer or the credit of a single counterparty.

- Index Performance Risk — The Index is maintained by a third party provider unaffiliated with the Target Fund or ProShare Advisors. There can be no guarantee or assurance that the methodology used by the third party provider to create the Index will result in the Target Fund achieving positive returns. Further, there can be no guarantee that the methodology underlying the Index or the daily calculation of the Index will be free from error. It is also possible that the value of the Index may be subject to intentional manipulation by third-party market participants. The Index used by the Target Fund may underperform other asset classes and may underperform other similar indices. Each of these factors could have a negative impact on the performance of the Target Fund.

- Intraday Price Performance Risk — The intraday performance of shares of the Target Fund traded in the secondary market generally will be different from the performance of the Target Fund when measured from one net asset value calculation-time to the next. When shares are bought intraday, the performance of the Target Fund's shares relative to the Index until the Target Fund's next net asset value calculation time will generally be greater than or less than the Target Fund's stated multiple times the performance of the Index.

- Market Price Variance Risk — Investors (including the Fund) buy and sell Target Fund shares in the secondary market at market prices, which may be different from the net asset value per share of the Target Fund (i.e., the secondary market price may trade at a price greater than net asset value (a premium) or less than net asset value (a discount)). The market price of the Target Fund's shares will fluctuate in response to changes in the value of the Target Fund's holdings, supply and demand for shares and other market factors. In addition, the instruments held by the Target Fund may be traded in markets on days and at times when the Target Fund's listing exchange is closed for trading. As a result, the value of the Target Fund's holdings may vary, perhaps significantly, on days and at times when investors (including the Fund) are unable to purchase or sell Target Fund shares. ProShare Advisors cannot predict whether shares will trade above, below or at a price equal to the value of the Target Fund's holdings.

- Early Close/Late Close/Trading Halt Risk — An exchange or market may close early, close late or issue trading halts on specific securities or financial instruments. As a result, the ability to trade certain securities or financial instruments may be restricted, which may disrupt the Target Fund's creation and redemption process, potentially affect the price at which the Target Fund's shares trade in the secondary market, and/or result in the Target Fund being unable to trade certain securities or financial

instruments at all. In these circumstances, the Target Fund may be unable to rebalance its portfolio, may be unable to accurately price its investments and/or may incur substantial trading losses. If trading in the Target Fund's shares are halted, investors may be temporarily unable to trade shares of the Target Fund.

- Liquidity Risk — In certain circumstances, such as the disruption of the orderly markets for the financial instruments in which the Target Fund invests, the Target Fund might not be able to acquire or dispose of certain holdings quickly or at prices that represent true market value in the judgment of ProShare Advisors. Markets for the financial instruments in which the Target Fund invests may be disrupted by a number of events, including but not limited to economic crises, political crises, health crises, natural disasters, excessive volatility, new legislation, or regulatory changes inside or outside of the US. For example, regulation limiting the ability of certain financial institutions to invest in certain financial instruments would likely reduce the liquidity of those instruments. These situations may prevent the Target Fund from limiting losses, realizing gains or achieving a high inverse correlation with the Index.

- Portfolio Turnover Risk — The Target Fund may incur high portfolio turnover to manage the Target Fund's investment exposure. Additionally, active market trading of the Target Fund's shares may cause more frequent creation or redemption activities that could, in certain circumstances, increase the number of portfolio transactions. High levels of portfolio transactions increase brokerage and other transaction costs and may result in increased taxable capital gains. Each of these factors could have a negative impact on the performance of the Target Fund.

- Tax Risk — In order to qualify for the special tax treatment accorded a Regulated Investment Company ("RIC") and its shareholders, the Target Fund must derive at least 90% of its gross income for each taxable year from "qualifying income," meet certain asset diversification tests at the end of each taxable quarter, and meet annual distribution requirements. The Target Fund's pursuit of its investment strategies will potentially be limited by the Target Fund's intention to qualify for such treatment and could adversely affect the Target Fund's ability to so qualify. The Target Fund may make certain investments, the treatment of which for these purposes is unclear. If, in any year, the Target Fund were to fail to qualify for the special tax treatment accorded a RIC and its shareholders, and were ineligible to or were not to cure such failure, the Target Fund would be taxed in the same manner as an ordinary corporation subject to US federal income tax on all its income at the Target Fund level. The resulting taxes could substantially reduce the Target Fund's net assets and the amount of income available for distribution. In addition, in order to requalify for taxation as a RIC, the Target Fund could be required to recognize unrealized gains, pay substantial taxes and interest, and make certain distributions.

- Valuation Risk — In certain circumstances (e.g., if ProShare Advisors believes market quotations are not reliable, or a trading halt closes an exchange or market early), ProShare Advisors may, pursuant to procedures approved by the Board of Trustees of the Target Fund, choose to determine a fair value price as the basis for determining the value of such investment for such day. The fair value of an investment determined by ProShare Advisors may be different from other value determinations of the same investment. Portfolio investments that are valued using techniques other than market quotations, including "fair valued" investments, may be subject to greater fluctuation in their value from one day to the next than would be the case if market quotations were used. In addition, there is no assurance that the Target Fund could sell a portfolio investment for the value established for it at any time, and it is possible that the Target Fund would incur a loss because a portfolio investment is sold at a discount to its established value.

THE ABOVE ARE THE KEY RISKS APPLICABLE TO THE TARGET FUND AND MAY NOT BE EXHAUSTIVE. INVESTORS ARE ADVISED TO CONSULT THEIR ADVISER(S), E.G. THEIR BANKERS, LAWYERS, STOCKBROKERS OR INDEPENDENT PROFESSIONAL ADVISERS FOR A BETTER UNDERSTANDING OF THE RISKS.

15. TAX ADVISER'S LETTER

EY
Building a better working world

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Taxation adviser's letter in respect of the taxation
of the unit trust fund and the unit holders
(prepared for inclusion in this Information Memorandum)

Ernst & Young Tax Consultants Sdn Bhd
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2 June 2023

The Board of Directors
Maybank Asset Management Sdn Bhd
Level 12, Tower C
Dataran Maybank
No.1, Jalan Maarof
59000 Kuala Lumpur

Dear Sirs

Taxation of the unit trust fund and unit holders

This letter has been prepared for inclusion in this Information Memorandum in connection with the offer of units in the unit trust known as MAMG Inverse ETF Fund (hereinafter referred to as "the Fund").

The purpose of this letter is to provide prospective unit holders with an overview of the impact of taxation on the Fund and the unit holders.

Taxation of the Fund

The taxation of the Fund is subject to the provisions of the Malaysian Income Tax Act 1967 (MITA), particularly Sections 61 and 63B.

Subject to certain exemptions, the income of the Fund comprising profits and other investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is subject to Malaysian income tax at the rate of 24% with effect from the year of assessment 2016.

A member firm of Ernst & Young Global Limited

The Board of Directors
Maybank Asset Management Sdn Bhd
2 June 2023

Tax allowable expenses would comprise expenses falling under Section 33(1) and Section 63B of the MITA. Section 33(1) permits a deduction for expenses that are wholly and exclusively incurred in the production of gross income. In addition, Section 63B allows unit trusts a deduction for a portion of other expenses (referred to as 'permitted expenses') not directly related to the production of income, as explained below.

"Permitted expenses" refer to the following expenses incurred by the Fund which are not deductible under Section 33(1) of the MITA:

- the manager's remuneration,
- maintenance of the register of unit holders,
- share registration expenses,
- secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage.

These expenses are given a partial deduction under Section 63B of the MITA, based on the following formula:

$$A \times \frac{B}{4C}$$

where A is the total of the permitted expenses incurred for that basis period;

B is gross income consisting of dividend[1], interest and rent chargeable to tax for that basis period; and

C is the aggregate of the gross income consisting of dividend[1] and interest (whether such dividend or interest is exempt or not) and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period,

provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period.

[1] Pursuant to Section 15 of the Finance Act 2011, with effect from the year of assessment 2011, dividend income is deemed to include income distributed by a unit trust which includes distributions from Real Estate Investment Trusts.

The Board of Directors
Maybank Asset Management Sdn Bhd
2 June 2023

Exempt income

The following income of the Fund is exempt from income tax:

- **Malaysian sourced dividends**

  All Malaysian-sourced dividends should be exempt from income tax.

- **Malaysian sourced interest**

  (i) interest from securities or bonds issued or guaranteed by the Government of Malaysia;

  (ii) interest from debentures or *sukuk*, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission;

  (iii) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;

  (iv) interest derived from Malaysia and paid or credited by banks licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013[2];

  (v) interest derived from Malaysia and paid or credited by any development financial institution prescribed under the Development Financial Institutions Act 2002[2];

  (vi) interest from *sukuk* originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved or authorized by, or lodged with, the Securities Commission or approved by the Labuan Financial Services Authority (LFSA)[3]; and

  (vii) interest which is specifically exempted by way of statutory orders or any other specific exemption provided by the Minister.

- **Discount**

  Tax exemption is given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.

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[2] Effective from 1 January 2019, the income tax exemption for a unit trust fund, pursuant to Paragraph 35A, Schedule 6 of the MITA shall not apply to a wholesale fund which is a money market fund.

[3] Effective from the year of assessment 2017, the exemption shall not apply to interest paid or credited to a company in the same group or interest paid or credited to a bank licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013; or a development financial institution prescribed under the Development Financial Institutions Act 2002.

The Board of Directors
Maybank Asset Management Sdn Bhd
2 June 2023

Foreign-sourced income

Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempt from tax.

The Guidelines issued by the Malaysian Inland Revenue Board on 29 September 2022 (amended on 29 December 2022) define the term "received in Malaysia" to mean transferred or brought into Malaysia, either by way of cash[4] or electronic funds transfer[5].

Foreign-sourced income (FSI) received in Malaysia during the transitional period from 1 January 2022 to 30 June 2022 will be taxed at 3% of gross. From 1 July 2022 onwards, FSI received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

Income Tax (Exemption) (No. 6) Order 2022 has been issued to exempt a "qualifying person"[6] from the payment of income tax in respect of dividend income which is received in Malaysia from outside Malaysia, effective from 1 January 2022 to 31 December 2026. The exemption will however not apply to a person carrying on the business of banking, insurance or sea or air transport. As the definition of "qualifying person" does not include unit trust funds, it would mean that resident unit trust funds would technically not qualify for the exemption, unless there are further updates thereto.

Gains from the realisation of investments

Pursuant to Section 61(1) (b) of the MITA, gains from the realisation of investments will not be treated as income of the Fund and hence, are not subject to income tax. Such gains may be subject to real property gains tax (RPGT) under the Real Property Gains Tax Act 1976 (RPGT Act), if the gains are derived from the disposal of chargeable assets, as defined in the RPGT Act.

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[4] "Cash" in this context is defined as banknotes, coins and cheques.

[5] "Electronic funds transfer" means bank transfers (e.g., credit or debit transfers), payment cards (debit card, credit card and charge card), electronic money, privately-issued digital assets (e.g., crypto-assets, stablecoins) and central bank digital currency.

[6] "Qualifying person" in this context means a person resident in Malaysia who is:
(a) An individual who has dividend income received in Malaysia from outside Malaysia in relation to a partnership business in Malaysia;
(b) A limited liability partnership which is registered under the Limited Liability Partnerships Act 2012; or
(c) A company which is incorporated or registered under the Companies Act 2016.

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Implementation of Sales and Service Tax ("SST")

Sales and Service Tax ("SST") was re-introduced effective 1 September 2018. Sales Tax of 10% (most common rate) or 5% is charged by Malaysian manufacturers of taxable goods or upon importation into Malaysia of such taxable goods, unless specifically exempted under the Sales Tax (Goods Exempted From Tax) Order 2018. Service Tax at the rate of 6% is charged on certain prescribed taxable services performed by taxable persons as stipulated under Service Tax Regulations 2018. The input tax recovery mechanism under the previous GST regime does not apply to SST. Therefore, any SST incurred is not recoverable and will form a cost element for businesses.

Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration. Where the Fund incurs expenses such as management fees, the management services provided by asset and fund managers who are licensed or registered with Securities Commission Malaysia for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007, are specifically excluded from the scope of Service Tax. As for other fees, such as trustee fees and other administrative charges, these may be subject to 6% service tax provided they fall within the scope of service tax (i.e. are provided by a "taxable person", who exceeds the required annual threshold (in most cases RM 500,000 per annum) and the services qualify as "taxable services").

Taxation of unit holders

For Malaysian income tax purposes, unit holders will be taxed on their share of the distributions received from the Fund.

The income of unit holders from their investment in the Fund broadly falls under the following categories:

1. taxable distributions; and

2. non-taxable and exempt distributions.

In addition, unit holders may also realise a gain from the sale of units.

The tax implications of each of the above categories are explained below:

1. Taxable distributions

Distributions received from the Fund will have to be grossed up to take into account the underlying tax paid by the Fund and the unit holder will be taxed on the grossed up amount.

Such distributions carry a tax credit, which will be available for set-off against any Malaysian income tax payable by the unit holder. Should the tax deducted at source exceed the tax liability of the unit holder, the excess is refundable to the unit holder.

Please refer to the paragraph below for the income tax rates applicable to the grossed up distributions.

2. Non-taxable and exempt distributions

Tax exempt distributions made out of gains from the realisation of investments and exempt income earned by the Fund will not be subject to Malaysian income tax in the hands of the unit holders.

A retail money market fund is exempted from tax on its interest income derived from Malaysia, pursuant to Paragraph 35A of Schedule 6 of the ITA. Pursuant to the Finance Act 2021, with effect from 1 January 2022, distributions by a retail money market fund from such tax exempt interest income, to a unit holder other than an individual, will no longer be exempt from tax. The distribution to unit holders other than individuals will be subject to withholding tax at 24%. This would be a final tax for non-residents. Malaysian residents are required to include the distributions in their tax returns and claim a credit in respect of the withholding tax suffered. Individuals will continue to be exempt from tax on such distributions.

Rates of tax

The Malaysian income tax chargeable on the unit holders would depend on their tax residence status and whether they are individuals, corporations or trust bodies. The relevant income tax rates are as follows:

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Unit holders	Malaysian income tax rates
Malaysian tax resident:	
• Individual and non-corporate unit holders (such as associations and societies)	• Progressive tax rates ranging from 0% to 30%
• Co-operatives[7]	• Progressive tax rates ranging from 0% to 24%
• Trust bodies	• 24%
• Corporate unit holders (i) A company with paid-up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment) and gross income from a source or sources consisting of a business not exceeding RM50 million for the basis period for the year of assessment[8] [9]	• First RM600,000 of chargeable income @ 17%[10] • Chargeable income in excess of RM600,000 @ 24%
(ii) Companies other than (i) above	• 24%

[7] Pursuant to Paragraph 12(1), Schedule 6 of the MITA, the income of any co-operative society–
(a) in respect of a period of five years commencing from the date of registration of such co-operative society; and
(b) thereafter where the members' funds [as defined in Paragraph 12(2)] of such co-operative society as at the first day of the basis period for the year of assessment is less than seven hundred and fifty thousand ringgit, is exempt from tax.

[8] A company would not be eligible for the concessionary tax rate on the first RM600,000 of chargeable income if:-
(a) more than 50% of the paid-up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
(b) the company owns directly or indirectly more than 50% of the paid-up capital in respect of the ordinary shares of a related company which has paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
(c) more than 50% of the paid-up capital in respect of the ordinary shares of the company and a related company which has a paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.
(d) Based on the Finance Bill 2023, it has been proposed that with effect from the year of assessment 2024, an additional condition will be imposed such that not more than 20% of the paid-up capital in respect of the ordinary shares of the company at the beginning of a basis period for a year of assessment can be directly or indirectly owned by one or more companies incorporated outside Malaysia or by individuals who are not citizens of Malaysia, to qualify for the concessionary tax rates.

[9] The above excludes a business trust and a company which is established for the issuance of asset-backed securities in a securitization transaction approved by the Securities Commission.

[10] Based on the Finance Bill 2023, it has been proposed that the concessionary tax rate be reduced from 17% to 15% for the first RM150,000 of chargeable income with effect from the year of assessment 2023.

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Unit holders	Malaysian income tax rates
Non-Malaysian tax resident (Note 1):	
• Individual and non-corporate unit holders	• 30%
• Corporate unit holders and trust bodies	• 24%

Note 1:
Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation arrangements with Malaysia.

Gains from sale of units

Gains arising from the realisation of investments will generally not be subject to income tax in the hands of unit holders unless they are insurance companies, financial institutions or traders / dealers in securities.

Unit splits and reinvestment of distributions

Unit holders may also receive new units as a result of unit splits or may choose to reinvest their distributions. The income tax implications of these are as follows:

- Unit splits - new units issued by the Fund pursuant to a unit split will not be subject to income tax in the hands of the unit holders.
- Reinvestment of distributions - unit holders may choose to reinvest their income distribution in new units by informing the Manager. In this event, the unit holder will be deemed to have received the distribution and reinvested it with the Fund.

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We hereby confirm that, as at the date of this letter, the statements made in this letter correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in the Fund. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in the Fund.

Yours faithfully
Ernst & Young Tax Consultants Sdn Bhd

Bernard Yap
Partner

Ernst & Young Tax Consultants Sdn Bhd has given its consent to the inclusion of the Taxation Adviser's Letter in the form and context in which it appears in this Information Memorandum and has not withdrawn such consent before the date of issue of this Information Memorandum.

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